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HEALTH ANNUAL STATEMENT

FOR THE YEAR ENDED DECEMBER 31, 2011
OF THE CONDITION AND AFFAIRS OF THE

Unison Health Plan of the Capital Area, Inc.

NAIC Group Code 0707 (Current) 0707 (Prior) NAIC Company Code 13032 Employer's ID Number 26-0651931

Organized under the Laws of District of Columbia, State of Domicile or Port of Entry District of Columbia

Country of Domicile United States of America

Licensed as business type: Health Maintenance Organization

Is HMO Federally Qualified? Yes [ ] No [X]

Incorporated/Organized 05/03/2007 Commenced Business 03/01/2008

Statutory Home Office 1225 I Street NW, Ste 510 (Street and Number), Washington , DC 20005 (City or Town, State and Zip Code)

Main Administrative Office 1225 I Street NW, Ste 510 (Street and Number)
Washington , DC 20005 (City or Town, State and Zip Code), 412-858-4000 (Area Code) (Telephone Number)

Mail Address 2700 Midwest Drive (Street and Number or P.O. Box), Onalaska , WI 54650 (City or Town, State and Zip Code)

Primary Location of Books and Records 9900 Bren Rd E (Street and Number)
Minnetonka , MN 55343 (City or Town, State and Zip Code), 952-936-1300 (Area Code) (Telephone Number)

Internet Website Address www.unisonhealthplan.com

Statutory Statement Contact Stephen Jack Wells (Name), 608-783-8610 (Area Code) (Telephone Number)
stephen_j_wells@uhc.com (E-mail Address), 608-783-8671 (FAX Number)

OFFICERS

Secretary	Christina Regina Palme-Krizak	Chief Financial Officer	John Ray Campbell Jr.
Treasurer	Robert Worth Oberrender	President and Chief Executive Officer	Steven Eugene Meeker #

OTHER

Michelle Marie Huntley Dill Assistant Secretary

DIRECTORS OR TRUSTEES

Rodney Charles Armstead	Steven Eugene Meeker #	Robert Jacob David Menkes #

State of ______ County of ______   State of ______ County of ______   State of ______ County of ______

The officers of this reporting entity being duly sworn, each depose and say that they are the described officers of said reporting entity, and that on the reporting period stated above, all of the herein described assets were the absolute property of the said reporting entity, free and clear from any liens or claims thereon, except as herein stated, and that this statement, together with related exhibits, schedules and explanations therein contained, annexed or referred to, is a full and true statement of all the assets and liabilities and of the condition and affairs of the said reporting entity as of the reporting period stated above, and of its income and deductions therefrom for the period ended, and have been completed in accordance with the NAIC Annual Statement Instructions and Accounting Practices and Procedures manual except to the extent that: (1) state law may differ; or, (2) that state rules or regulations require differences in reporting not related to accounting practices and procedures, according to the best of their information, knowledge and belief, respectively. Furthermore, the scope of this attestation by the described officers also includes the related corresponding electronic filing with the NAIC, when required, that is an exact copy (except for formatting differences due to electronic filing) of the enclosed statement. The electronic filing may be requested by various regulators in lieu of or in addition to the enclosed statement.

Steven Eugene Meeker	Christina Regina Palme-Krizak	John Ray Campbell Jr.
President and Chief Executive Officer	Secretary	Chief Financial Officer

Subscribed and sworn to before me this ______ day of ______   Subscribed and sworn to before me this ______ day of ______   Subscribed and sworn to before me this ______ day of ______

a. Is this an original filing? .... Yes [X] No [ ]
b. If no,
 1. State the amendment number.......
 2. Date filed ....
 3. Number of pages attached............

ASSETS

		Current Year			Prior Year
		1 Assets	2 Nonadmitted Assets	3 Net Admitted Assets (Cols. 1 - 2)	4 Net Admitted Assets
1.	Bonds (Schedule D)	312,321		312,321	321,679
2.	Stocks (Schedule D):				
	2.1 Preferred stocks			0	0
	2.2 Common stocks			0	0
3.	Mortgage loans on real estate (Schedule B):				
	3.1 First liens			0	0
	3.2 Other than first liens			0	0
4.	Real estate (Schedule A):				
	4.1 Properties occupied by the company (less $ .... encumbrances)			0	0
	4.2 Properties held for the production of income (less $ .... encumbrances)			0	0
	4.3 Properties held for sale (less $ .... encumbrances)			0	0
5.	Cash ($ 62,473,546 , Schedule E - Part 1), cash equivalents ($ .... , Schedule E - Part 2) and short-term investments ($ 2,935,839 , Schedule DA)	65,409,385		65,409,385	48,754,950
6.	Contract loans, (including $ .... premium notes)			0	0
7.	Derivatives (Schedule DB)			0	0
8.	Other invested assets (Schedule BA)			0	0
9.	Receivables for securities			0	0
10.	Securities lending reinvested collateral assets (Schedule DL)			0	0
11.	Aggregate write-ins for invested assets	0	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	65,721,706	0	65,721,706	49,076,629
13.	Title plants less $ .... charged off (for Title insurers only)			0	0
14.	Investment income due and accrued	3,801		3,801	3,919
15.	Premiums and considerations:				
	15.1 Uncollected premiums and agents' balances in the course of collection	2,482,308		2,482,308	2,947,372
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due (including $ .... earned but unbilled premiums)			0	0
	15.3 Accrued retrospective premiums			0	0
16.	Reinsurance:				
	16.1 Amounts recoverable from reinsurers			0	0
	16.2 Funds held by or deposited with reinsured companies			0	0
	16.3 Other amounts receivable under reinsurance contracts			0	0
17.	Amounts receivable relating to uninsured plans	13,307		13,307	0
18.1	Current federal and foreign income tax recoverable and interest thereon			0	1,669,110
18.2	Net deferred tax asset			0	1
19.	Guaranty funds receivable or on deposit			0	0
20.	Electronic data processing equipment and software			0	0
21.	Furniture and equipment, including health care delivery assets ($ ....)			0	0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0	0
23.	Receivables from parent, subsidiaries and affiliates	464,664		464,664	0
24.	Health care ($ 210,736) and other amounts receivable	591,997	381,260	210,736	536,938
25.	Aggregate write-ins for other than invested assets	0	0	0	400
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	69,277,783	381,260	68,896,523	54,234,368
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0	0
28.	Total (Lines 26 and 27)	69,277,783	381,260	68,896,523	54,234,368
	DETAILS OF WRITE-INS				
1101.					
1102.					
1103.					
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0	0
2501.	State Income Tax Receivable			0	400
2502.					
2503.					
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0	400

LIABILITIES, CAPITAL AND SURPLUS

	Current Year 1 Covered	2 Uncovered	3 Total	Prior Year 4 Total
1. Claims unpaid (less $ 0 reinsurance ceded)	31,449,771		31,449,771	27,681,997
2. Accrued medical incentive pool and bonus amounts	89,373		89,373	0
3. Unpaid claims adjustment expenses	586,877		586,877	525,209
4. Aggregate health policy reserves, including the liability of $ for medical loss ratio rebate per the Public Health Service Act	5,446,000		5,446,000	4,515,679
5. Aggregate life policy reserves			0	0
6. Property/casualty unearned premium reserves			0	0
7. Aggregate health claim reserves	900,187		900,187	784,702
8. Premiums received in advance			0	0
9. General expenses due or accrued	2,881,321		2,881,321	2,212,029
10.1 Current federal and foreign income tax payable and interest thereon (including $ on realized capital gains (losses))	2,944,764		2,944,764	0
10.2 Net deferred tax liability			0	0
11. Ceded reinsurance premiums payable			0	0
12. Amounts withheld or retained for the account of others			0	0
13. Remittance and items not allocated	50,661		50,661	0
14. Borrowed money (including $ current) and interest thereon $ (including $ current)			0	0
15. Amounts due to parent, subsidiaries and affiliates			0	237,956
16. Derivatives			0	0
17. Payable for securities			0	0
18. Payable for securities lending			0	0
19. Funds held under reinsurance treaties (with $ authorized reinsurers and $ 0 unauthorized reinsurers)			0	0
20. Reinsurance in unauthorized companies			0	0
21. Net adjustments in assets and liabilities due to foreign exchange rates			0	0
22. Liability for amounts held under uninsured plans			0	0
23. Aggregate write-ins for other liabilities (including $ current)	2,157	0	2,157	0
24. Total liabilities (Lines 1 to 23)	44,351,111	0	44,351,111	35,957,572
25. Aggregate write-ins for special surplus funds	XXX	XXX	0	0
26. Common capital stock	XXX	XXX	1,000	1,000
27. Preferred capital stock	XXX	XXX		
28. Gross paid in and contributed surplus	XXX	XXX	59,499,000	37,499,000
29. Surplus notes	XXX	XXX		0
30. Aggregate write-ins for other than special surplus funds	XXX	XXX	0	0
31. Unassigned funds (surplus)	XXX	XXX	(34,954,588)	(19,223,204)
32. Less treasury stock, at cost:				
32.1 shares common (value included in Line 26 $)	XXX	XXX		
32.2 shares preferred (value included in Line 27 $)	XXX	XXX		
33. Total capital and surplus (Lines 25 to 31 minus Line 32)	XXX	XXX	24,545,412	18,276,796
34. Total liabilities, capital and surplus (Lines 24 and 33)	XXX	XXX	68,896,523	54,234,368
DETAILS OF WRITE-INS				
2301. Unclaimed Property	2,157		2,157	
2302.				
2303.				
2308. Summary of remaining write-ins for Line 23 from overflow page	0	0	0	0
2309. Totals (Lines 2301 thru 2303 plus 2308)(Line 23 above)	2,157	0	2,157	0
2501.	XXX	XXX		
2502.	XXX	XXX		
2503.	XXX	XXX		
2598. Summary of remaining write-ins for Line 25 from overflow page	XXX	XXX	0	0
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	XXX	XXX	0	0
3001.	XXX	XXX		
3002.	XXX	XXX		
3003.	XXX	XXX		
3098. Summary of remaining write-ins for Line 30 from overflow page	XXX	XXX	0	0
3099. Totals (Lines 3001 thru 3003 plus 3098)(Line 30 above)	XXX	XXX	0	0

STATEMENT OF REVENUE AND EXPENSES

		Current Year		Prior Year
		1 Uncovered	2 Total	3 Total
1.	Member Months	XXX	646,926	546,825
2.	Net premium income (including $ .... non-health premium income)	XXX	180,128,556	131,169,928
3.	Change in unearned premium reserves and reserve for rate credits	XXX	0	0
4.	Fee-for-service (net of $ .... medical expenses)	XXX	0	0
5.	Risk revenue	XXX	0	0
6.	Aggregate write-ins for other health care related revenues	XXX	3,419	21,967
7.	Aggregate write-ins for other non-health revenues	XXX	0	0
8.	Total revenues (Lines 2 to 7)	XXX	180,131,975	131,191,895
	Hospital and Medical:			
9.	Hospital/medical benefits		106,231,430	78,035,562
10.	Other professional services		31,012,801	21,051,593
11.	Outside referrals		0	0
12.	Emergency room and out-of-area		17,372,938	13,347,136
13.	Prescription drugs		23,754,995	10,186,853
14.	Aggregate write-ins for other hospital and medical	0	0	0
15.	Incentive pool, withhold adjustments, and bonus amounts		104,077	0
16.	Subtotal (Lines 9 to 15)	0	178,476,241	122,621,145
	Less:			
17.	Net reinsurance recoveries		0	(1,207)
18.	Total hospital and medical (Lines 16 minus 17)	0	178,476,241	122,622,352
19.	Non-health claims (net)			
20.	Claims adjustment expenses, including $ 4,495,091 cost containment expenses		6,274,038	5,332,881
21.	General administrative expenses		17,026,051	10,586,217
22.	Increase in reserves for life and accident and health contracts (including $ .... increase in reserves for life only)		930,321	3,497,419
23.	Total underwriting deductions (Lines 18 through 22)	0	202,706,651	142,038,869
24.	Net underwriting gain or (loss) (Lines 8 minus 23)	XXX	(22,574,676)	(10,846,974)
25.	Net investment income earned (Exhibit of Net Investment Income, Line 17)		7,575	16,387
26.	Net realized capital gains (losses) less capital gains tax of $			
27.	Net investment gains (losses) (Lines 25 plus 26)	0	7,575	16,387
28.	Net gain or (loss) from agents' or premium balances charged off [(amount recovered $ ....) (amount charged off $ ....)]			
29.	Aggregate write-ins for other income or expenses	0	0	12,845
30.	Net income or (loss) after capital gains tax and before all other federal income taxes (Lines 24 plus 27 plus 28 plus 29)	XXX	(22,567,101)	(10,817,742)
31.	Federal and foreign income taxes incurred	XXX	(7,503,905)	(2,471,108)
32.	Net income (loss) (Lines 30 minus 31)	XXX	(15,063,196)	(8,346,634)
	DETAILS OF WRITE-INS			
0601.	Other Health Care Related Revenue	XXX	3,419	21,967
0602.		XXX		
0603		XXX		
0698.	Summary of remaining write-ins for Line 6 from overflow page	XXX	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698)(Line 6 above)	XXX	3,419	21,967
0701.		XXX		
0702.		XXX		
0703		XXX		
0798.	Summary of remaining write-ins for Line 7 from overflow page	XXX	0	0
0799.	Totals (Lines 0701 thru 0703 plus 0798)(Line 7 above)	XXX	0	0
1401.				
1402.				
1403.				
1498.	Summary of remaining write-ins for Line 14 from overflow page	0	0	0
1499.	Totals (Lines 1401 thru 1403 plus 1498)(Line 14 above)	0	0	0
2901.	Interest Income on State Taxes Refunded			12,845
2902.				
2903				
2998.	Summary of remaining write-ins for Line 29 from overflow page	0	0	0
2999.	Totals (Lines 2901 thru 2903 plus 2998)(Line 29 above)	0	0	12,845

STATEMENT OF REVENUE AND EXPENSES (Continued)

		1 Current Year	2 Prior Year
	CAPITAL AND SURPLUS ACCOUNT		
33.	Capital and surplus prior reporting year	18,276,796	12,574,922
34.	Net income or (loss) from Line 32	(15,063,196)	(8,346,634)
35.	Change in valuation basis of aggregate policy and claim reserves		
36.	Change in net unrealized capital gains (losses) less capital gains tax of $		
37.	Change in net unrealized foreign exchange capital gain or (loss)		
38.	Change in net deferred income tax		(1)
39.	Change in nonadmitted assets	(331,431)	48,509
40	Change in unauthorized reinsurance	0	0
41.	Change in treasury stock	0	0
42.	Change in surplus notes	0	0
43.	Cumulative effect of changes in accounting principles		
44.	Capital Changes:		
	44.1 Paid in	0	0
	44.2 Transferred from surplus (Stock Dividend)	0	0
	44.3 Transferred to surplus		
45.	Surplus adjustments:		
	45.1 Paid in	22,000,000	14,000,000
	45.2 Transferred to capital (Stock Dividend)		
	45.3 Transferred from capital		
46.	Dividends to stockholders		
47.	Aggregate write-ins for gains or (losses) in surplus	(336,756)	0
48.	Net change in capital and surplus (Lines 34 to 47)	6,268,616	5,701,874
49.	Capital and surplus end of reporting period (Line 33 plus 48)	24,545,412	18,276,796
	DETAILS OF WRITE-INS		
4701.	Correction of Errors	(336,756)	
4702.			
4703.			
4798.	Summary of remaining write-ins for Line 47 from overflow page	0	0
4799.	Totals (Lines 4701 thru 4703 plus 4798)(Line 47 above)	(336,756)	0

CASH FLOW

		1 Current Year	2 Prior Year
	Cash from Operations		
1.	Premiums collected net of reinsurance	180,593,619	129,172,044
2.	Net investment income	17,051	26,461
3.	Miscellaneous income	3,419	21,967
4.	Total (Lines 1 through 3)	180,614,089	129,220,472
5.	Benefit and loss related payments	174,508,837	110,779,948
6.	Net transfers to Separate Accounts, Segregated Accounts and Protected Cell Accounts		
7.	Commissions, expenses paid and aggregate write-ins for deductions	22,582,037	13,224,866
8.	Dividends paid to policyholders		
9.	Federal and foreign income taxes paid (recovered) net of $ .... tax on capital gains (losses)	(12,117,780)	899,814
10.	Total (Lines 5 through 9)	184,973,094	124,904,628
11.	Net cash from operations (Line 4 minus Line 10)	(4,359,005)	4,315,844
	Cash from Investments		
12.	Proceeds from investments sold, matured or repaid:		
	12.1 Bonds	0	0
	12.2 Stocks	0	0
	12.3 Mortgage loans	0	0
	12.4 Real estate	0	0
	12.5 Other invested assets	0	0
	12.6 Net gains or (losses) on cash, cash equivalents and short-term investments	0	0
	12.7 Miscellaneous proceeds	0	0
	12.8 Total investment proceeds (Lines 12.1 to 12.7)	0	0
13.	Cost of investments acquired (long-term only):		
	13.1 Bonds	0	0
	13.2 Stocks	0	0
	13.3 Mortgage loans	0	0
	13.4 Real estate	0	0
	13.5 Other invested assets	0	0
	13.6 Miscellaneous applications	0	0
	13.7 Total investments acquired (Lines 13.1 to 13.6)	0	0
14.	Net increase (decrease) in contract loans and premium notes	0	0
15.	Net cash from investments (Line 12.8 minus Line 13.7 minus Line 14)	0	0
	Cash from Financing and Miscellaneous Sources		
16.	Cash provided (applied):		
	16.1 Surplus notes, capital notes	0	0
	16.2 Capital and paid in surplus, less treasury stock	22,000,000	14,000,000
	16.3 Borrowed funds	0	(3)
	16.4 Net deposits on deposit-type contracts and other insurance liabilities	0	0
	16.5 Dividends to stockholders	0	0
	16.6 Other cash provided (applied)	(986,557)	988,248
17.	Net cash from financing and miscellaneous sources (Lines 16.1 to 16.4 minus Line 16.5 plus Line 16.6)	21,013,443	14,988,245
	RECONCILIATION OF CASH, CASH EQUIVALENTS AND SHORT-TERM INVESTMENTS		
18.	Net change in cash, cash equivalents and short-term investments (Line 11, plus Lines 15 and 17)	16,654,438	19,304,089
19.	Cash, cash equivalents and short-term investments:		
	19.1 Beginning of year	48,754,948	29,450,859
	19.2 End of year (Line 18 plus Line 19.1)	65,409,386	48,754,948

Note: Supplemental disclosures of cash flow information for non-cash transactions:

ANALYSIS OF OPERATIONS BY LINES OF BUSINESS

		1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1.	Net premium income	180,128,556	19,770,677						160,357,879		
2.	Change in unearned premium reserves and reserve for rate credit	0									
3.	Fee-for-service (net of $ .... medical expenses)	0									XXX
4.	Risk revenue	0									XXX
5.	Aggregate write-ins for other health care related revenues	3,419	0	0	0	0	0	0	3,419	0	XXX
6.	Aggregate write-ins for other non-health care related revenues	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
7.	Total revenues (Lines 1 to 6)	180,131,975	19,770,677	0	0	0	0	0	160,361,298	0	0
8.	Hospital/medical benefits	106,231,430	12,046,757						94,184,673		XXX
9.	Other professional services	31,012,801	5,185,505						25,827,296		XXX
10.	Outside referrals	0									XXX
11.	Emergency room and out-of-area	17,372,938	1,471,816						15,901,122		XXX
12.	Prescription drugs	23,754,995	614,099						23,140,896		XXX
13.	Aggregate write-ins for other hospital and medical	0	0	0	0	0	0	0	0	0	XXX
14.	Incentive pool, withhold adjustments and bonus amounts	104,077	(5,976)						110,053		XXX
15.	Subtotal (Lines 8 to 14)	178,476,241	19,312,201	0	0	0	0	0	159,164,040	0	XXX
16.	Net reinsurance recoveries	0									XXX
17.	Total medical and hospital (Lines 15 minus 16)	178,476,241	19,312,201	0	0	0	0	0	159,164,040	0	XXX
18.	Non-health claims (net)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
19.	Claims adjustment expenses including $ 4,495,091 cost containment expenses	6,274,038	612,199						5,661,839		
20.	General administrative expenses	17,026,051	1,661,343						15,364,708		
21.	Increase in reserves for accident and health contracts	930,321	(2,523,343)						3,453,664		XXX
22.	Increase in reserves for life contracts	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
23.	Total underwriting deductions (Lines 17 to 22)	202,706,651	19,062,400	0	0	0	0	0	183,644,251	0	0
24.	Total underwriting gain or (loss) (Line 7 minus Line 23)	(22,574,676)	708,277	0	0	0	0	0	(23,282,953)	0	0
	DETAILS OF WRITE-INS										
0501.	Other Health Care Related Revenue	3,419							3,419		XXX
0502.											XXX
0503.											XXX
0598.	Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0	XXX
0599.	Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	3,419	0	0	0	0	0	0	3,419	0	XXX
0601.			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0602.			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0603.			XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	
0698.	Summary of remaining write-ins for Line 6 from overflow page	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
0699.	Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	XXX	XXX	XXX	XXX	XXX	XXX	XXX	XXX	0
1301.											XXX
1302.											XXX
1303.											XXX
1398.	Summary of remaining write-ins for Line 13 from overflow page	0	0	0	0	0	0	0	0	0	XXX
1399.	Totals (Lines 1301 thru 1303 plus 1398) (Line 13 above)	0	0	0	0	0	0	0	0	0	XXX

UNDERWRITING AND INVESTMENT EXHIBIT

PART 1 - PREMIUMS

Line of Business	1 Direct Business	2 Reinsurance Assumed	3 Reinsurance Ceded	4 Net Premium Income (Cols. 1 + 2 - 3)
1. Comprehensive (hospital and medical)	19,770,677			19,770,677
2. Medicare Supplement				0
3. Dental only				0
4. Vision only				0
5. Federal Employees Health Benefits Plan	0			0
6. Title XVIII - Medicare	0			0
7. Title XIX - Medicaid	160,357,879			160,357,879
8. Other health				0
9. Health subtotal (Lines 1 through 8)	180,128,556	0	0	180,128,556
10. Life	0			0
11. Property/casualty	0			0
12. Totals (Lines 9 to 11)	180,128,556	0	0	180,128,556

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2 - CLAIMS INCURRED DURING THE YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Payments during the year:										
1.1 Direct	174,494,133	21,828,377						152,665,756		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	174,494,133	21,828,377	0	0	0	0	0	152,665,756	0	0
2. Paid medical incentive pools and bonuses	14,704	(31,494)						46,198		
3. Claim liability December 31, current year from Part 2A:										
3.1 Direct	31,449,771	3,043,218	0	0	0	0	0	28,406,553	0	0
3.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
3.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
3.4 Net	31,449,771	3,043,218	0	0	0	0	0	28,406,553	0	0
4. Claim reserve December 31, current year from Part 2D:										
4.1 Direct	900,187	114,894						785,293		
4.2 Reinsurance assumed	0									
4.3 Reinsurance ceded	0									
4.4 Net	900,187	114,894	0	0	0	0	0	785,293	0	0
5. Accrued medical incentive pools and bonuses, current year	89,373	25,518						63,855		
6. Net healthcare receivables (a)	5,227	(21,182)						26,409		
7. Amounts recoverable from reinsurers December 31, current year	0									
8. Claim liability December 31, prior year from Part 2A:										
8.1 Direct	27,681,997	5,535,937	0	0	0	0	0	22,146,060	0	0
8.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
8.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
8.4 Net	27,681,997	5,535,937	0	0	0	0	0	22,146,060	0	0
9. Claim reserve December 31, prior year from Part 2D:										
9.1 Direct	784,703	153,557						631,146		
9.2 Reinsurance assumed	0									
9.3 Reinsurance ceded	0									
9.4 Net	784,703	153,557	0	0	0	0	0	631,146	0	0
10. Accrued medical incentive pools and bonuses, prior year	0									
11. Amounts recoverable from reinsurers December 31, prior year	0	0						0		
12. Incurred Benefits:										
12.1 Direct	178,372,164	19,318,177	0	0	0	0	0	159,053,987	0	0
12.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
12.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
12.4 Net	178,372,164	19,318,177	0	0	0	0	0	159,053,987	0	0
13. Incurred medical incentive pools and bonuses	104,077	(5,976)	0	0	0	0	0	110,053	0	0

(a) Excludes $ .... loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2A - CLAIMS LIABILITY END OF CURRENT YEAR

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefits Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other Health	10 Other Non-Health
1. Reported in Process of Adjustment:										
1.1 Direct	8,013,547	198,107						7,815,440		
1.2 Reinsurance assumed	0									
1.3 Reinsurance ceded	0									
1.4 Net	8,013,547	198,107	0	0	0	0	0	7,815,440	0	0
2. Incurred but Unreported:										
2.1 Direct	23,436,224	2,845,111						20,591,113		
2.2 Reinsurance assumed	0									
2.3 Reinsurance ceded	0									
2.4 Net	23,436,224	2,845,111	0	0	0	0	0	20,591,113	0	0
3. Amounts Withheld from Paid Claims and Capitations:										
3.1 Direct	0									
3.2 Reinsurance assumed	0									
3.3 Reinsurance ceded	0									
3.4 Net	0	0	0	0	0	0	0	0	0	0
4. TOTALS:										
4.1 Direct	31,449,771	3,043,218	0	0	0	0	0	28,406,553	0	0
4.2 Reinsurance assumed	0	0	0	0	0	0	0	0	0	0
4.3 Reinsurance ceded	0	0	0	0	0	0	0	0	0	0
4.4 Net	31,449,771	3,043,218	0	0	0	0	0	28,406,553	0	0

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2B - ANALYSIS OF CLAIMS UNPAID - PRIOR YEAR - NET OF REINSURANCE

	Claims Paid During the Year		Claim Reserve and Claim Liability December 31 of Current Year		5	6
	1	2	3	4		
Line of Business	On Claims Incurred Prior to January 1 of Current Year	On Claims Incurred During the Year	On Claims Unpaid December 31 of Prior Year	On Claims Incurred During the Year	Claims Incurred In Prior Years (Columns 1 + 3)	Estimated Claim Reserve and Claim Liability December 31 of Prior Year
1. Comprehensive (hospital and medical)	783,763	21,044,614	75,505	3,082,607	859,268	5,689,494
2. Medicare Supplement					0	0
3. Dental Only					0	0
4. Vision Only					0	0
5. Federal Employees Health Benefits Plan					0	0
6. Title XVIII - Medicare					0	0
7 Title XIX - Medicaid	18,748,240	133,917,515	1,661,750	27,530,096	20,409,990	22,777,205
8. Other health					0	0
9. Health subtotal (Lines 1 to 8)	19,532,003	154,962,129	1,737,255	30,612,703	21,269,258	28,466,699
10. Healthcare receivables (a)		568,168		23,829	0	586,770
11. Other non-health					0	0
12. Medical incentive pools and bonus amounts	14,704			89,373	14,704	0
13. Totals (Lines 9 - 10 + 11 + 12)	19,546,707	154,393,961	1,737,255	30,678,247	21,283,962	27,879,929

(a) Excludes $ 0 loans or advances to providers not yet expensed.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Comprehensive (Hospital & Medical)

	Cumulative Net Amounts Paid				
Year in Which Losses Were Incurred	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	1
2. 2007					
3. 2008	XXX	11,939	15,768	15,768	15,764
4. 2009	XXX	XXX	33,074	35,716	35,683
5. 2010	XXX	XXX	XXX	35,176	35,965
6. 2011	XXX	XXX	XXX	XXX	21,045

Section B - Incurred Health Claims - Comprehensive (Hospital & Medical)

	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
Year in Which Losses Were Incurred	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	
2. 2007					
3. 2008	XXX	19,013	15,895	15,768	15,764
4. 2009	XXX	XXX	42,189	36,249	35,683
5. 2010	XXX	XXX	XXX	40,333	36,041
6. 2011	XXX	XXX	XXX	XXX	24,153

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Comprehensive (Hospital & Medical)

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007				0.0	0	0.0			0	0.0
2. 2008	16,440	15,764	557	3.5	16,321	99.3			16,321	99.3
3. 2009	35,972	35,683	1,005	2.8	36,688	102.0			36,688	102.0
4. 2010	32,278	35,965	1,007	2.8	36,972	114.5	76		37,048	114.8
5. 2011	19,771	21,045	654	3.1	21,699	109.8	3,108	66	24,873	125.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Title XIX

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	11
2. 2007					
3. 2008	XXX	9,055	14,433	14,433	14,333
4. 2009	XXX	XXX	26,289	31,192	30,440
5. 2010	XXX	XXX	XXX	68,911	88,546
6. 2011	XXX	XXX	XXX	XXX	133,918

Section B - Incurred Health Claims - Title XIX

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year				
	1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	
2. 2007					
3. 2008	XXX	13,650	14,516	14,433	14,333
4. 2009	XXX	XXX	33,002	31,270	30,440
5. 2010	XXX	XXX	XXX	91,611	90,208
6. 2011	XXX	XXX	XXX	XXX	161,511

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Title XIX

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007				0.0	0	0.0			0	0.0
2. 2008	16,131	14,333	590	4.1	14,923	92.5			14,923	92.5
3. 2009	35,364	30,440	834	2.7	31,274	88.4			31,274	88.4
4. 2010	98,913	88,546	4,324	4.9	92,870	93.9	1,662		94,532	95.6
5. 2011	160,358	133,918	5,559	4.2	139,477	87.0	27,594	521	167,592	104.5

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2C - DEVELOPMENT OF PAID AND INCURRED HEALTH CLAIMS

(000 Omitted)

Section A - Paid Health Claims - Grand Total

Year in Which Losses Were Incurred	Cumulative Net Amounts Paid 1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	12
2. 2007	0	0	0	0	0
3. 2008	XXX	20,994	30,201	30,201	30,097
4. 2009	XXX	XXX	59,363	66,908	66,123
5. 2010	XXX	XXX	XXX	104,087	124,511
6. 2011	XXX	XXX	XXX	XXX	154,963

Section B - Incurred Health Claims - Grand Total

Year in Which Losses Were Incurred	Sum of Cumulative Net Amount Paid and Claim Liability, Claim Reserve and Medical Incentive Pool and Bonuses Outstanding at End of Year 1 2007	2 2008	3 2009	4 2010	5 2011
1. Prior	0	0	0	0	0
2. 2007	0	0	0	0	0
3. 2008	XXX	32,663	30,411	30,201	30,097
4. 2009	XXX	XXX	75,191	67,519	66,123
5. 2010	XXX	XXX	XXX	131,944	126,249
6. 2011	XXX	XXX	XXX	XXX	185,664

Section C - Incurred Year Health Claims and Claims Adjustment Expense Ratio - Grand Total

Years in which Premiums were Earned and Claims were Incurred	1 Premiums Earned	2 Claims Payment	3 Claim Adjustment Expense Payments	4 (Col. 3/2) Percent	5 Claim and Claim Adjustment Expense Payments (Col. 2 + 3)	6 (Col. 5/1) Percent	7 Claims Unpaid	8 Unpaid Claims Adjustment Expenses	9 Total Claims and Claims Adjustment Expense Incurred (Col. 5+7+8)	10 (Col. 9/1) Percent
1. 2007	0	0	0	0.0	0	0.0	0	0	0	0.0
2. 2008	32,571	30,097	1,147	3.8	31,244	95.9	0	0	31,244	95.9
3. 2009	71,336	66,123	1,839	2.8	67,962	95.3	0	0	67,962	95.3
4. 2010	131,191	124,511	5,331	4.3	129,842	99.0	1,738	0	131,580	100.3
5. 2011	180,129	154,963	6,213	4.0	161,176	89.5	30,702	587	192,465	106.8

UNDERWRITING AND INVESTMENT EXHIBIT

PART 2D - AGGREGATE RESERVE FOR ACCIDENT AND HEALTH CONTRACTS ONLY

	1 Total	2 Comprehensive (Hospital & Medical)	3 Medicare Supplement	4 Dental Only	5 Vision Only	6 Federal Employees Health Benefit Plan	7 Title XVIII Medicare	8 Title XIX Medicaid	9 Other
1. Unearned premium reserves	0								
2. Additional policy reserves (a)	5,446,000	1,089,200						4,356,800	
3. Reserve for future contingent benefits	0								
4. Reserve for rate credits or experience rating refunds (including $ ....) for investment income	0								
5. Aggregate write-ins for other policy reserves	0	0	0	0	0	0	0	0	0
6. Totals (gross)	5,446,000	1,089,200	0	0	0	0	0	4,356,800	0
7. Reinsurance ceded	0								
8. Totals (Net)(Page 3, Line 4)	5,446,000	1,089,200	0	0	0	0	0	4,356,800	0
9. Present value of amounts not yet due on claims	0								
10. Reserve for future contingent benefits	900,187	114,894						785,293	
11. Aggregate write-ins for other claim reserves	0	0	0	0	0	0	0	0	0
12. Totals (gross)	900,187	114,894	0	0	0	0	0	785,293	0
13. Reinsurance ceded	0								
14. Totals (Net)(Page 3, Line 7)	900,187	114,894	0	0	0	0	0	785,293	0
DETAILS OF WRITE-INS									
0501.									
0502.									
0503.									
0598. Summary of remaining write-ins for Line 5 from overflow page	0	0	0	0	0	0	0	0	0
0599. Totals (Lines 0501 thru 0503 plus 0598) (Line 5 above)	0	0	0	0	0	0	0	0	0
1101.									
1102.									
1103.									
1198. Summary of remaining write-ins for Line 11 from overflow page	0	0	0	0	0	0	0	0	0
1199. Totals (Lines 1101 thru 1103 plus 1198) (Line 11 above)	0	0	0	0	0	0	0	0	0

(a) Includes $ 5,446,000 premium deficiency reserve.

UNDERWRITING AND INVESTMENT EXHIBIT

PART 3 - ANALYSIS OF EXPENSES

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
1. Rent ($ .... for occupancy of own building)	135,777	53,734	399,078		588,589
2. Salary, wages and other benefits	2,529,637	1,001,112	7,435,149		10,965,898
3. Commissions (less $ .... ceded plus $ .... assumed)					0
4. Legal fees and expenses	41,118	16,273	180,854		238,245
5. Certifications and accreditation fees					0
6. Auditing, actuarial and other consulting services	271,079	107,280	902,568		1,280,927
7. Traveling expenses	90,729	35,906	266,671		393,306
8. Marketing and advertising	214,611	84,933	630,787		930,331
9. Postage, express and telephone	193,218	76,467	567,909		837,594
10. Printing and office supplies	62,306	24,658	183,130		270,093
11. Occupancy, depreciation and amortization	36,760	14,548	108,044		159,351
12. Equipment	8,143	3,223	23,935		35,301
13. Cost or depreciation of EDP equipment and software	363,305	143,779	1,067,833		1,574,917
14. Outsourced services including EDP, claims, and other services	326,034	129,029	994,375		1,449,438
15. Boards, bureaus and association fees	6,363	2,518	18,702		27,583
16. Insurance, except on real estate	80,740	31,953	342,473		455,165
17. Collection and bank service charges	21,548	8,528	63,335		93,411
18. Group service and administration fees	10,458	4,139	30,739		45,337
19. Reimbursements by uninsured plans			(334)		(334)
20. Reimbursements from fiscal intermediaries					0
21. Real estate expenses					0
22. Real estate taxes	7,729	3,059	36,414		47,202
23. Taxes, licenses and fees:					
23.1 State and local insurance taxes					0
23.2 State premium taxes			3,242,039		3,242,039
23.3 Regulatory authority licenses and fees			(2,000)		(2,000)
23.4 Payroll taxes			249,807		249,807
23.5 Other (excluding federal income and real estate taxes)	14,684	5,811	43,260		63,755
24. Investment expenses not included elsewhere				96	96
25. Aggregate write-ins for expenses	80,853	31,998	241,284	0	354,135
26. Total expenses incurred (Lines 1 to 25)	4,495,091	1,778,947	17,026,051	96	(a) 23,300,185
27. Less expenses unpaid December 31, current year		586,877	2,881,321		3,468,198
28. Add expenses unpaid December 31, prior year		525,209	2,212,029		2,737,238
29. Amounts receivable relating to uninsured plans, prior year					0
30. Amounts receivable relating to uninsured plans, current year			13,307		13,307
31. Total expenses paid (Lines 26 minus 27 plus 28 minus 29 plus 30)	4,495,091	1,717,279	16,370,066	96	22,582,532
DETAILS OF WRITE-INS					
2501. Information Technology	17,343	6,864	50,975		75,182
2502. Interest	50,136	19,842	150,999		220,977
2503. Miscellaneous Losses	2,164	856	6,361		9,382
2598. Summary of remaining write-ins for Line 25 from overflow page	11,210	4,436	32,948	0	48,595
2599. Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	80,853	31,998	241,284	0	354,135

(a) Includes management fees of $ 18,424,293 to affiliates and $ .... to non-affiliates.

EXHIBIT OF NET INVESTMENT INCOME

		1 Collected During Year	2 Earned During Year
1.	U.S. government bonds	(a) 4,591	4,572
1.1	Bonds exempt from U.S. tax	(a)	
1.2	Other bonds (unaffiliated)	(a)	
1.3	Bonds of affiliates	(a)	
2.1	Preferred stocks (unaffiliated)	(b)	
2.11	Preferred stocks of affiliates	(b)	
2.2	Common stocks (unaffiliated)		
2.21	Common stocks of affiliates		
3.	Mortgage loans	(c)	
4.	Real estate	(d)	
5	Contract Loans		
6	Cash, cash equivalents and short-term investments	(e) 3,099	3,099
7	Derivative instruments	(f)	
8.	Other invested assets		
9.	Aggregate write-ins for investment income	0	0
10.	Total gross investment income	7,690	7,671
11.	Investment expenses		(g) 96
12.	Investment taxes, licenses and fees, excluding federal income taxes		(g) 0
13.	Interest expense		(h)
14.	Depreciation on real estate and other invested assets		(i)
15.	Aggregate write-ins for deductions from investment income		0
16.	Total deductions (Lines 11 through 15)		96
17.	Net investment income (Line 10 minus Line 16)		7,575
	DETAILS OF WRITE-INS		
0901.			
0902.			
0903.			
0998.	Summary of remaining write-ins for Line 9 from overflow page	0	0
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)	0	0
1501.			
1502.			
1503.			
1598.	Summary of remaining write-ins for Line 15 from overflow page		0
1599.	Totals (Lines 1501 thru 1503 plus 1598) (Line 15, above)		0

(a) Includes $ .... accrual of discount less $ 9,358 amortization of premium and less $ .... paid for accrued interest on purchases.

(b) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued dividends on purchases.

(c) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued interest on purchases.

(d) Includes $ .... for company's occupancy of its own buildings; and excludes $ .... interest on encumbrances.

(e) Includes $ .... accrual of discount less $ .... amortization of premium and less $ .... paid for accrued interest on purchases.

(f) Includes $ .... accrual of discount less $ .... amortization of premium.

(g) Includes $. .... investment expenses and $ .... investment taxes, licenses and fees, excluding federal income taxes, attributable to segregated and Separate Accounts.

(h) Includes $ .... interest on surplus notes and $ .... interest on capital notes.

(i) Includes $ .... depreciation on real estate and $ .... depreciation on other invested assets.

EXHIBIT OF CAPITAL GAINS (LOSSES)

		1 Realized Gain (Loss) On Sales or Maturity	2 Other Realized Adjustments	3 Total Realized Capital Gain (Loss) (Columns 1 + 2)	4 Change in Unrealized Capital Gain (Loss)	5 Change in Unrealized Foreign Exchange Capital Gain (Loss)
1.	U.S. Government bonds					
1.1	Bonds exempt from U.S. tax					
1.2	Other bonds (unaffiliated)					
1.3	Bonds of affiliates					
2.1	Preferred stocks (unaffiliated)					
2.11	Preferred stocks of affiliates					
2.2	Common stocks (unaffiliated)					
2.21	Common stocks of affiliates					
3.	Mortgage loans					
4.	Real estate					
5.	Contract loans					
6.	Cash, cash equivalents and short-term investments					
7.	Derivative instruments					
8.	Other invested assets					
9.	Aggregate write-ins for capital gains (losses)					
10.	Total capital gains (losses)					
	DETAILS OF WRITE-INS					
0901.						
0902.						
0903.						
0998.	Summary of remaining write-ins for Line 9 from overflow page					
0999.	Totals (Lines 0901 thru 0903 plus 0998) (Line 9, above)					

NONE

EXHIBIT OF NON-ADMITTED ASSETS

		1 Current Year Total Nonadmitted Assets	2 Prior Year Total Nonadmitted Assets	3 Change in Total Nonadmitted Assets (Col. 2 - Col. 1)
1.	Bonds (Schedule D)			0
2.	Stocks (Schedule D):			
	2.1 Preferred stocks			0
	2.2 Common stocks			0
3.	Mortgage loans on real estate (Schedule B):			
	3.1 First liens			0
	3.2 Other than first liens			0
4.	Real estate (Schedule A):			
	4.1 Properties occupied by the company			0
	4.2 Properties held for the production of income			0
	4.3 Properties held for sale			0
5.	Cash (Schedule E - Part 1), cash equivalents (Schedule E - Part 2) and short-term investments (Schedule DA)			0
6.	Contract loans			0
7.	Derivatives (Schedule DB)			0
8.	Other invested assets (Schedule BA)			0
9.	Receivables for securities			0
10.	Securities lending reinvested collateral assets (Schedule DL)			0
11.	Aggregate write-ins for invested assets	0	0	0
12.	Subtotals, cash and invested assets (Lines 1 to 11)	0	0	0
13.	Title plants (for Title insurers only)			0
14.	Investment income due and accrued			0
15.	Premiums and considerations:			
	15.1 Uncollected premiums and agents' balances in the course of collection			0
	15.2 Deferred premiums, agents' balances and installments booked but deferred and not yet due			0
	15.3 Accrued retrospective premiums			0
16.	Reinsurance:			
	16.1 Amounts recoverable from reinsurers			0
	16.2 Funds held by or deposited with reinsured companies			0
	16.3 Other amounts receivable under reinsurance contracts			0
17.	Amounts receivable relating to uninsured plans			0
18.1	Current federal and foreign income tax recoverable and interest thereon			0
18.2	Net deferred tax asset			0
19.	Guaranty funds receivable or on deposit			0
20.	Electronic data processing equipment and software			0
21.	Furniture and equipment, including health care delivery assets			0
22.	Net adjustment in assets and liabilities due to foreign exchange rates			0
23.	Receivable from parent, subsidiaries and affiliates			0
24.	Health care and other amounts receivable	381,260	49,829	(331,431)
25.	Aggregate write-ins for other than invested assets	0	0	0
26.	Total assets excluding Separate Accounts, Segregated Accounts and Protected Cell Accounts (Lines 12 to 25)	381,260	49,829	(331,431)
27.	From Separate Accounts, Segregated Accounts and Protected Cell Accounts			0
28.	Total (Lines 26 and 27)	381,260	49,829	(331,431)
	DETAILS OF WRITE-INS			
1101.				
1102.				
1103.				
1198.	Summary of remaining write-ins for Line 11 from overflow page	0	0	0
1199.	Totals (Lines 1101 thru 1103 plus 1198)(Line 11 above)	0	0	0
2501.				
2502.				
2503.				
2598.	Summary of remaining write-ins for Line 25 from overflow page	0	0	0
2599.	Totals (Lines 2501 thru 2503 plus 2598)(Line 25 above)	0	0	0

EXHIBIT 1 - ENROLLMENT BY PRODUCT TYPE FOR HEALTH BUSINESS ONLY

	Source of Enrollment	Total Members at End of 1 Prior Year	2 First Quarter	3 Second Quarter	4 Third Quarter	5 Current Year	6 Current Year Member Months
1.	Health Maintenance Organizations	54,659	54,141	54,149	54,761	55,098	646,926
2.	Provider Service Organizations						
3.	Preferred Provider Organizations						
4.	Point of Service						
5.	Indemnity Only						
6.	Aggregate write-ins for other lines of business	0	0	0	0	0	0
7.	Total	54,659	54,141	54,149	54,761	55,098	646,926
	DETAILS OF WRITE-INS						
0601.							
0602.							
0603.							
0698.	Summary of remaining write-ins for Line 6 from overflow page	0	0	0	0	0	0
0699.	Totals (Lines 0601 thru 0603 plus 0698) (Line 6 above)	0	0	0	0	0	0

1. SIGNIFICANT ACCOUNTING POLICIES

Organization and Operation — Unison Health Plan of the Capital Area, Inc. (the "Company"), licensed as a health maintenance organization (HMO) offers its enrollees a variety of managed care programs and products through contractual arrangements with health care providers. The Company is a wholly owned subsidiary of Three Rivers Holdings, Inc. (TRH). Effective May 30, 2008, TRH was acquired by AmeriChoice Corporation (AmeriChoice), which is a wholly owned subsidiary of UnitedHealth Group Incorporated ("UnitedHealth Group"). UnitedHealth Group is a publicly held company trading on the New York Stock Exchange.

The Company was incorporated on May 3, 2007, as a HMO and operations commenced in March 2008. The Company is certified as a HMO by the District of Columbia Department of Insurance, Securities and Banking (the "DISB"). The Company has entered into contracts with physicians, hospitals, and other health care provider organizations to deliver health care services for all enrollees.

The Company has a contract with the Government of the District of Columbia, Office of Contracting and Procurement (the "District"), to provide health care services to Medicaid and Health Care Alliance (Alliance), a program for uninsured children and adults eligible beneficiaries in the District of Columbia. The current contract is effective through April 30, 2012, and is subject to a renewal provision effective through April 30, 2013.

Basis of Presentation — The Company prepares its statutory financial statements on the basis of accounting practices prescribed or permitted by the DISB. These statutory practices differ from accounting principles generally accepted in the United States of America (GAAP).

The more significant differences are as follows:

- Cash and short-term investments in the statutory basis financial statements represent cash balances and investments with original maturities of one year or less from the time of acquisition, whereas under GAAP, the corresponding caption of cash and short-term investments includes cash balances and investments that will mature in one year or less from the balance sheet date;

- Outstanding checks are required to be netted against cash balances or presented as cash overdrafts if in excess of cash balances in the statutory basis statements of admitted assets, liabilities, and capital and surplus as opposed to being presented as other liabilities under GAAP;

- Certain debt investments categorized as held to maturity under GAAP are shown at amortized cost, whereas in the statutory basis financial statements, these investments are presented at either the lower of amortized cost or fair value in accordance with the National Association of Insurance Commissioners' (NAIC) designations;

- Certain assets, including health care receivables, are considered nonadmitted assets for statutory purposes and are excluded from the statutory basis statements of admitted assets, liabilities, and capital and surplus;

- Under statutory accounting, the change to deferred tax assets and liabilities is recorded directly to unassigned surplus and deferred tax assets are subject to limitations regarding the realization and admissibility of the assets in the statutory basis financial statements, whereas under GAAP, the change in deferred tax assets and liabilities is recorded as a component of the income tax provision within the income statement and is based on the ultimate recoverability of the deferred tax assets. Based on the admissibility criteria under statutory accounting, any deferred tax assets determined to be nonadmitted are charged directly to surplus and excluded from the statutory basis financial statements, whereas under GAAP, such assets are included in the balance sheets;

- Assets not specifically identified as an admitted asset by the NAIC are designated as nonadmitted under statutory accounting. Nonadmitted assets are excluded from the statutory basis financial statements and are charged directly to unassigned surplus. Under GAAP, such assets are included in the balance sheet;

- Comprehensive income and its components are not presented in the statutory basis financial statements;

- Cash and short-term investments in the statutory basis statements of cash flows represent cash balances and investments with original maturities of one year or less from the time of acquisition. Under GAAP, the corresponding caption of cash and cash equivalents includes cash balances and cash equivalents with maturities of three months or less. The statutory basis statements of cash flows are prepared in accordance with the NAIC Annual Statement Instructions.

The DISB recognizes only statutory accounting practices prescribed or permitted by the District of Columbia for determining and reporting the financial condition and results of operations of an HMO and for determining its solvency under District of Columbia insurance law. The NAIC *Accounting Practices and Procedures Manual* (NAIC SAP) has been adopted with modifications as a component of prescribed or permitted practices by the District of Columbia. No significant differences exist between prescribed or permitted practices by the District of Columbia and NAIC SAP which materially affect the statutory basis net loss, capital and surplus, and total admitted assets, as illustrated in the table below (in thousands).

	2011	2010
Net loss — District of Columbia basis	$ 15,063	$ 8,347
Net loss — NAIC SAP	$ 15,063	$ 8,347
Capital and surplus — District of Columbia basis	$ 24,545	$ 18,277
Capital and surplus — NAIC SAP	$ 24,545	$ 18,277
Total admitted assets — District of Columbia basis	$ 68,897	$ 54,234
Total admitted assets — NAIC SAP	$ 68,897	$ 54,234

Use of Estimates — The preparation of these statutory basis financial statements in conformity with the NAIC Annual Statement Instructions and the NAIC SAP include certain amounts that are based on the Company's estimates and judgments. These estimates require the Company to apply complex assumptions and judgments, often because the Company must make estimates about the effects of matters that are inherently uncertain and will change in subsequent periods. The most significant estimates relate to hospital and medical benefits, claims unpaid, and aggregate health policy reserves and aggregate health claim reserves (collectively known as "aggregate health reserves"). The Company adjusts these estimates each period as more current information becomes available. The impact of any changes in estimates is included in the determination of net loss in the period in which the estimate is adjusted.

Cash and Invested Assets —

- Cash represents cash held by the Company in disbursement accounts. Claims and other payments are made from the disbursement accounts daily. Cash overdrafts are a result of timing differences in funding disbursement accounts for claims payments. Cash equivalents have original maturity dates of three months or less from the date of acquisition and are reported at cost or amortized cost depending on the nature of the underlying security, which approximates fair value.

- Short-term investments represent money market instruments and commercial paper with a maturity of greater than three months but less than one year at the time of purchase.

- Bonds include government and agency obligations with a maturity of greater than one year at the time of purchase.

- Bonds and short-term investments are stated at amortized cost if they meet NAIC designation of one or two and stated at the lower of amortized cost or fair value if they meet an NAIC designation of three or higher. Amortization of bond premium or discount is calculated using the constant-yield interest method. Bonds and short-term investments are valued and reported using market prices published by the SVO in accordance with the NAIC Valuations of Securities manual prepared by the SVO or an external pricing service.

Realized capital gains and losses on sales of investments are calculated based upon specific identification of the investments sold. The Company has not incurred any gains and losses to report in the statutory basis statements of operations for 2011 or 2010.

The Company continually monitors the difference between amortized cost and estimated fair value of its investments. If any of the Company's investments experience a decline in value that the Company has determined is other-than-temporary, the Company records a realized loss in net realized capital gains (losses) in the statutory basis statements of operations as the Company has made the determination to sell the security. The new cost basis is not changed for subsequent recoveries in fair value. The prospective adjustment method is utilized for mortgage-backed securities for periods subsequent to the loss recognition. The Company has not recorded any other-than-temporary impairments for the years ended December 31, 2011 and 2010.

Investment Income Due and Accrued — Investment income earned and due as of the reporting date in addition to investment income earned but not paid or collected until subsequent periods are reported as investment income due and accrued in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company evaluates the collectability of the amounts due and amounts determined to be uncollectible are written off in the period in which the determination is made.

Net Investment Income Earned — Net investment income earned includes investment income collected during the period, as well as the change in investment income due and accrued on the Company's holdings. Amortization of premium or discount on bonds and certain external investment management costs are also included in net investment income earned (see Note 7).

Receivables from Parent, Subsidiaries, and Affiliates and Amounts Due to Parent, Subsidiaries, and Affiliates — In the normal course of business, the Company has various transactions with related parties (see Note 10). The Company reports any unsettled amounts amounts due to parent, subsidiaries, and affiliates in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

Hospital and Medical Expenses, Claims Unpaid, and Aggregate Health Reserves — Hospital and medical expenses and corresponding liabilities include claims paid, claims processed but not yet paid, estimates for claims received but not yet processed, estimates for the costs of health care services enrollees have received but for which claims have not yet been submitted, and for liabilities for physician, hospital, and other medical costs disputes.

The estimates for incurred but not yet reported claims are developed using an actuarial process that is consistently applied, centrally controlled and automated. The actuarial models consider factors such as historical submission and payment data, cost trends, customer and product mix, seasonality, utilization of health care services, contracted service rates, and other relevant factors. The Company estimates liabilities for physician, hospital and other medical cost disputes based upon an analysis of potential outcomes, assuming a combination of litigation and settlement strategies. The estimates may change as actuarial methods change or as underlying facts upon which estimates are based change. The Company did not change actuarial methods during 2011 and 2010. Management believes the amount of claims unpaid and aggregate health reserves is adequate to cover the Company's liability for unpaid claims and aggregate health reserves as of December 31, 2011; however, actual payments may differ from those established estimates. Adjustments to claims unpaid estimates and aggregate health reserves are reflected in operating results in the period in which the change in estimate is identified.

The Company contracts with hospitals, physicians, and other providers of health care under capitated or discounted fee for service arrangements, including a hospital per diem to provide medical care services to enrollees. Some of these contracts are with related parties (see Note 10). Capitated providers are at risk for the cost of medical care services provided to the Company's enrollees; however, the Company is ultimately responsible for the provision of services to its enrollees should the capitated provider be unable to provide the contracted services.

Amounts Receivable Relating to Uninsured Plans and Liability for Amounts Held Under Uninsured Plans — Receivables for amounts held under uninsured plans represent the cost reimbursement under the District's Women's Services program. The Company is fully reimbursed by the Department of Health Care Finance (DHCF) for costs incurred for these contract elements and, accordingly, there is no insurance risk to the Company. Amounts received for these subsidies are not reflected as net premium income, but rather are accounted for as deposits. Related cash flows are presented within operating expenses paid within cash provided by operations in the statutory basis statements of cash flows.

Net Deferred Tax Asset and Federal Income Taxes Benefits — Statutory accounting requires an amount to be recorded for deferred taxes on temporary differences between the financial reporting and tax bases of assets and liabilities, subject to a valuation allowance and admissibility limitations on deferred tax assets (see Note 9). The provision for federal income tax benefit is calculated based on applying the statutory federal income tax rate of 35% to net loss before federal income taxes subject to certain adjustments (see Note 9).

Claims Adjustment Expenses — Claims adjustment expenses (CAE) are those costs expected to be incurred in connection with the adjustment and recording of accident and health claims. Pursuant to the terms of the management agreement (see Note 10), effective March 1, 2011, the Company pays a management fee to United HealthCare Services, Inc. (UHS) in exchange for administrative and management services. Prior to March 1, 2011, the company paid Unison Administrative Services, LLC

(UAS) for similiar services. A detailed review of UHS', UAS' and the Company's administrative expenses is performed to determine the allocation between CAE and general administrative expenses. It is the responsibility of UHS and UAS to pay CAE in the event the Company ceases operations. The Company has recorded an estimate of unpaid claims adjustment expenses associated with incurred but unpaid claims, which is included in unpaid claims adjustment expenses in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Management believes the amount of the liability for unpaid claims adjustment expenses as of December 31, 2011 and 2010 is adequate to cover the Company's cost for the adjustment and recording of unpaid claims; however, actual expenses may differ from those established estimates. Adjustments to the estimates for unpaid claims adjustment expenses are reflected in operating results in the period in which the change in estimate is identified.

General Administrative Expenses — Pursuant to the terms of the management agreement (see Note 10), the Company pays a management fee to UHS and UAS in exchange for administrative and management services. Costs for items not included within the scope of the management agreement are directly expensed as incurred. Premium taxes are also a component of general administrative expenses. A detailed review of UHS', UAS'and the Company's administrative expenses is performed to determine the allocation between claims adjustment expenses and general administrative expenses to be reported in the statutory basis statements of operations.

Revenues — Revenues consist of net premium income that is recognized in the period in which enrollees are entitled to receive health care services. Unearned premiums are established for the portion of premiums received during the current period that are partially unearned at the end of the period and are included in aggregate health policy reserves in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus.

Net premium income also includes amounts paid by the District per member in exchange for the provision and administration of medical benefits under the Medicaid and Alliance programs. Premiums are contractual and are recognized in the coverage period in which members are entitled to receive services, except in the case of maternity and newborn payments. Maternity and newborn income is billed on contractual rates and recognized as income as each birth case is identified by the Company. Included in net premium income are capitation, maternity, and newborn payments. The majority of net premium income recorded is based on capitated rates, which are monthly premiums paid for each member enrolled.

The Company reports uncollected premium balances from its insured members as uncollected premium balances on the statutory basis statements of admitted assets, liabilities and capital and surplus. Uncollected premium balances that are over 90 days past due, with the exception of amounts due from government insured plans, are considered nonadmitted assets. In addition to those balances, current balances are also considered nonadmitted if the corresponding balance greater than 90 days past due is deemed more than inconsequential.

Incentive Pool — The Company has agreements with certain independent physicians and physician network organizations that provide for the establishment of a fund into which the Company places monthly premiums payable for members assigned to the physician. The Company manages the disbursement of funds from this account as well as reviews the utilization of nonprimary care medical services of members assigned to the physicians. Any surpluses or deficits in the fund are shared by the Company and the physician based upon predetermined risk-sharing percentage and the liability is included in accrued medical incentive pool and bonus amounts in the statutory basis statements of admitted assets, liabilities, and capital and surplus, and the corresponding expense or reduction to expense is included in incentive pool, withhold adjustments, and bonus amounts in the statutory basis statements of operations (See Note 2).

Health Care Receivables — Health care receivables consist of pharmacy rebate receivables estimated based on the most currently available data from the Company's claims processing systems and from data provided by the Company's affiliated pharmaceutical benefit manager, OptumRx, Inc. ("OptumRx"). Health care receivables also include receivables for amounts due to the Company for claim overpayments to providers, hospitals and other healthcare provider organizations. Health care receivables are considered nonadmitted assets for statutory purposes if they do not meet admissibility requirements. Accordingly, the Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus (see Note 28).

Premium Deficiency Reserves — Premium deficiency reserves and the related expenses are recognized when it is probable that expected future health care expenses, claim adjustment expenses, direct administration costs, and an allocation of indirect administration costs under a group of existing contracts will exceed anticipated future premiums and reinsurance recoveries considered over the remaining lives of the contracts and are recorded as aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. Indirect administration costs arise from activities that are not specifically identifiable to a specific group of existing contracts and therefore, those costs are fully allocated among the various contract groupings. The allocation of indirect administration costs to each contract grouping is made proportionately to the expected margins remaining in the premiums after future health care expenses, claim adjustment expenses and direct administration costs are considered. The methods for making such estimates and for establishing the resulting reserves are periodically reviewed and updated, and any adjustments are reflected in increase in reserves for accident and health contracts in the accompanying statutory basis statements of operations in the period in which the change in estimate is identified. The Company anticipates investment income as a factor in the premium deficiency calculation (see Note 30).

Vulnerability Due to Certain Concentrations — The Company is subject to substantial federal and state government regulation, including licensing and other requirements relating to the offering of the Company's existing products in new markets and offerings of new products, both of which may restrict the Company's ability to expand its business.

Net premium income from the District on behalf of the Department of Health Care Finance as a percentage of total direct premiums written is 100% and 100% for the years ending December 31, 2011 and 2010, respectively.

Amounts receivable from the District account for 100% and 100% of uncollected premiums as of December 31, 2011 and 2010, respectively.

Restricted Cash Reserves — The Company is required by the District of Columbia to maintain a minimum regulatory deposit (currently $300). The Company is in compliance with this requirement as of December 31, 2011 and 2010. This restricted cash reserve consists government obligations and is stated at amortized cost, which approximates fair value. This reserve is included in bonds in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. Interest earned on this reserve accrues to the Company.

Minimum Capital and Surplus — Under the laws of the District of Columbia, the DISB requires the Company to have an initial statutory capital and surplus of $1,500 and shall maintain a minimum statutory capital and surplus equal to the greatest of $1,000, 2% of the first $150,000 of annual premium revenue and 1% of annual premium over $150,000, three months of uncovered healthcare expenditures, or an amount equal to the sum of 8% of the annual healthcare expenditures (not including those expenditures paid on a capitated basis or those on a managed hospital payment basis) plus 4% of the annual hospital expenditures paid on a managed hospital payment basis. The minimum statutory capital and surplus requirement based on 2011 and 2010 expenditures is $11,159 and $7,892 respectively. The Company has $24,545 and $18,277 in capital and surplus, which is in compliance with the required amount as of December 31, 2011 and 2010 respectively.

Risk-based capital (RBC) is a regulatory tool for measuring the minimum amount of capital appropriate for a managed care organization to support its overall business operations in consideration of its size and risk profile. The DISB requires the Company to maintain minimum capital and surplus equal to the greater of the state statute as outlined above or the company action level as calculated by the RBC model. The Company is in compliance with the required amount.

Recently Issued Accounting Standards — In December 2010, the NAIC adopted revisions to Statements of Statutory Accounting Principles SSAP No. 10R, *Income Taxes – Revised*, *A Temporary Replacement of SSAP No. 10* (SSAP No. 10R), which extended the effective date of the temporary replacement through the interim and annual financial statement periods of 2011. The revision to the temporary standard adds additional disclosures related to the impact of tax planning strategies and the nature of the net admitted deferred tax assets by percentage and tax character. These disclosures are incorporated in Note 9 – Income Taxes, as applicable.

In December 2010, the NAIC issued revisions to SSAP No. 100, *Fair Value Measurements* (SSAP No. 100). SSAP No. 100 established a framework for measuring fair value and establishes disclosure requirements about fair value. The original statement was early adopted for December 31, 2009, with interim and annual financial statement reporting thereafter. The 2010 revisions to SSAP No. 100 relate to the reporting and disclosure of investments measured and reported at fair value and are effective for December 31, 2010 annual financial statements. The Company adopted the revisions to SSAP No. 100 as of December 31, 2010, and the related disclosure requirements are outlined in Note 20– Fair Value Measurements.

In October 2010, the NAIC issued SSAP No. 5R, *Liabilities, Contingencies and Impairments of Assets – Revised* (SSAP No. 5R), effective for all guarantees issued or outstanding as of December 31, 2011. The revised standard requires entities to recognize, at the inception of a guarantee, a liability for the obligations it has undertaken in issuing the guarantee, even if the likelihood of having to make payments under the guarantee is remote. The impact of adoption was immaterial to the overall financial condition, results of operations and cash flows of the Company.

In October 2010, the NAIC issued SSAP No. 35R, *Guaranty Fund and Other Assessments – Revised* (SSAP No. 35R) which contains substantive revisions to certain paragraphs of SSAP No. 35 and is initially effective for the reporting period beginning January 1, 2011. The result of applying this revised Statement shall be considered a change in accounting principle in accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors*. The revised standard modifies the conditions required before recognizing liabilities for insurance-related assessments. Under SSAP No. 35R, the liability is not recognized until an assessment has been imposed or is probable and the event obligating an entity to pay an imposed or probable assessment has occurred and can be reasonably estimated. Additionally, under this revised standard an asset relating to future premium tax offsets or policy surcharges shall be recognized at the time the liability is recorded, considering expected future premiums on in-force policies for long-term contracts. The impact of adoption was immaterial to the overall financial condition, results of operations and cash flows of the Company.

In November 2011, the NAIC adopted Statement of Statutory Accounting Principles (SSAP) No. 101, *Income Taxes — A Replacement of SSAP No. 10R and SSAP No. 10*, effective for 2012 interim and annual financial statements and beyond. The new standard includes revised guidance for tax contingencies, non-elective deferred tax asset admissibility test along with significant modifications to the deferred tax asset admissibility test, and disclosure modifications. A change resulting from the adoption of this revised statement shall be accounted for prospectively. The Company has assessed the impact of adopting SSAP No. 101 and believes that there will not be a material impact to total capital and surplus.

2. ACCOUNTING CHANGES AND CORRECTION OF ERRORS

No changes in accounting principles have been recorded during the years ended December 31, 2011 and 2010.

During 2011, the Company determined that it had understated total hospital and medical expense by $518. Of this amount, $365 is related to on overstatement of provider receivables and $153 is related to a claims accrual for the year ended December 31, 2010. In addition, the federal income taxes benefit is understated by $181 for the year ended December 31, 2010. The impact to total capital and surplus is a decrease of $337 for 2011. The cumulative effect of this prior year error is corrected by the Company in accordance with SSAP No. 3, *Accounting Changes and Corrections of Errors* and is reflected in the accompanying statutory basis statements of changes in capital and surplus for the year ended December 31, 2011.

Effective December 31, 2011, there is an accounting change for medical incentive pool and ponuses amounts to be recorded separately within the statutory basis statements of admitted assets, liabilities, capital and surplus and the statutory basis statement of operations. Prior to the change, medical incentive pool and bonuses accounts are recorded in claims unpaid on the statutory basis statement of admitted assets, liabilities, capital and surplus and to hospital and medical benefits on the statutory basis statement of operations. Historical values on supplements to the financial statements are not restated to reflect the current presentation.

3. BUSINESS COMBINATIONS AND GOODWILL

The Company is not party to a business combination during the years ended December 31, 2011 and 2010, and does not carry goodwill in its statutory basis statements of admitted assets, liabilities, and capital and surplus.

4. DISCONTINUED OPERATIONS

The Company did not discontinue any operations during 2011 and 2010.

5. INVESTMENTS AND OTHER INVESTED ASSETS

The Company has no mortgage loans, real estate loans, restructured debt, reverse mortgages, repurchase agreements, or investments in low-income housing tax credits and does not participate in securities lending activities. The Company also has no real estate property occupied by the Company, real estate property held for the production of income, or real estate property held for sale. Total proceeds on the sale of investments for short term investments are $5,353 and $16,801 in 2011 and 2010, respectively. There are no proceeds on bonds sold during 2011 or 2010.

(In thousands, except common capital stock share data)

For purposes of calculating gross realized gains and losses on sales of investments, the amortized cost of each investment sold is used. The Company has not recorded any gross realized gains or losses on sales of investments in 2011 or 2010.

As of December 31, 2011 and 2010, the amortized cost, fair value, and gross unrealized holding gains and losses of the Company's investments, excluding cash of $62,474 and $45,822, respectively, are as follows:

	2011				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
U.S. government and agency	$ 312	$ 1	$ -	$ -	$ 313
Commercial paper and money market funds	2,936	-	-	-	2,936
Total bonds and short-term investments	$ 3,248	$ 1	$ -	$ -	$ 3,249

	2011				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
Less than one year	$ 3,248	$ 1	$ -	$ -	$ 3,249
Total bonds and short-term investments	$ 3,248	$ 1	$ -	$ -	$ 3,249

	2010				
	Amortized Cost	Gross Unrealized Holding Gains	Gross Unrealized Holding Losses < 1 year	Gross Unrealized Holding Losses > 1 year	Fair Value
U.S. government and agency	$ 321	$ 4	$ -	$ -	$ 325
Commercial paper and money market funds	2,933	-	-	-	2,933
Total bonds and short-term investments	$ 3,254	$ 4	$ -	$ -	$ 3,258

The Company had no U.S. government and agency securities in the tables above that are mortgage-backed securities.

The Company evaluates impairment at each reporting period for each of the securities whereby the fair value of the investment is less than its amortized cost. The contractual cash flows of the U.S. government and agency obligations are either guaranteed by the U.S. government or an agency of the U.S. government. It is expected that the securities would not be settled at a price less than the cost of the investment, and the Company does not intend to sell the investment until the unrealized loss is fully recovered. The Company evaluated the credit ratings of the municipalities and local agency obligations and corporate obligations, noting whether a significant deterioration since purchase or other factors which may indicate an other–than-temporary impairment, such as the length of time and extent to which fair value has been less than cost, the financial condition, and near-term prospects of the issuer as well as specific events or circumstances that may influence the operations of the issuer and the Company's intent to sell the investment. Additionally, the Company evaluated its intent and ability to retain mortgage-backed securities for a period of time sufficient to recover the amortized cost. As a result of this review, the Company did not record any other-than-temporary impairments as of December 31, 2011 and 2010, in the statutory basis statements of operations.

The Company had no securities that have been in a continuous unrealized loss position at December 31, 2011 and 2010.

6. JOINT VENTURES, PARTNERSHIPS, AND LIMITED LIABILITY COMPANIES

The Company has no investments in joint ventures, partnerships, or limited liability companies.

7. INVESTMENT INCOME

The Company has admitted all investment income due and accrued in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus.

(In thousands, except common capital stock share data)

The components of net investment income earned at December 31, 2011 and 2010, are as follows:

	2011	2010
Bonds	$ 5	$ 4
Cash and short-term investments	3	12
Net investment income	$ 8	$ 16

8. DERIVATIVE INSTRUMENTS

The Company has no derivative instruments.

9. INCOME TAXES

The components of the net deferred tax asset for the years ended December 31, 2011 and 2010, are as follows:

	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Gross deferred tax asset	$ 2,325	$ -	$ 2,325	$ 1,814	$ -	$ 1,814	$ 511	$ -	$ 511
Statutory valuation allowance	2,325	-	2,325	1,814	-	1,814	511	-	511
Adjusted gross deferred tax asse	-	-	-	-	-	-	-	-	-
Gross deferred tax liabilitites	-	-	-	-	-	-	-	-	-
Net deferred tax asset	-	-	-	-	-	-	-	-	-
Deferred tax asset nonadmitted	-	-	-	-	-	-	-	-	-
Net admitted deferred tax asset	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The components of the adjusted gross deferred tax assets admissibility calculation under SSAP No. 10R, *Income Taxes – Revised, A Temporary Replacement of SSAP No. 10*, are as follows:

SSAP 10R		2011			2010			Change		
Paragraph		Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
¶ 10.a	Federal income taxes recoverable through loss carryback	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
¶ 10.b.i.	Adjusted gross deferred tax assets expected to be realized within one year of the balance sheet date not recovered via loss carrybacks	-	-	-	-	-	-	-	-	-
¶ 10.b.ii.	Ten percent adjusted statutory capital and surplus shown on most recently filed financial statement	N/A	N/A	1,598	N/A	N/A	967	-	-	631
	Admitted pursuant to ¶ 10b (lesser of i. or ii.)	-	-	-	-	-	-	-	-	-
¶ 10.c	Adjusted gross deferred tax assets after application of above items that can be offset against existing gross deferred tax liabilities	-	-	-	-	-	-	-	-	-
	Admitted deferred tax asset	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -

The Company has not elected to admit additional deferred tax assets under the expanded admissibility test.

(In thousands, except common capital stock share data)

No additional adjusted gross deferred tax assets are included in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus as a result of tax-planning strategies.

The results from the deferred tax asset admissibility calculation in relation to total admitted assets and total capital and surplus is presented below:

	2011			2010			Change		
	Ordinary	Capital	Total	Ordinary	Capital	Total	Ordinary	Capital	Total
Admitted deferred tax asset	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Total admitted assets at December 31			68,897			54,234			14,663
Adjusted capital and surplus at September 30			15,976			9,667			6,309
Total capital and surplus from net deferred tax assets at December 31			24,545			18,277			6,268

There are no unrecognized deferred tax liabilities.

The current federal income tax benefit for the years ended December 31, 2011 and 2010, are as follows:

	2011	2010	Change
Federal income taxes benefit	$ (7,504)	$ (2,471)	$ (5,033)
Total current federal income taxes benefit	$ (7,504)	$ (2,471)	$ (5,033)

The tax effects of temporary differences that give rise to significant portions of the deferred tax assets and liabilities at December 31, 2011 and 2010, are as follows:

	2011	2010	Change
Ordinary deferred tax assets:			
Unpaid losses and CAE	$ 195	$ 188	$ 7
Policyholder reserves	1,906	1,581	325
Nonadmitted assets	133	17	116
Bad debt	91	28	63
Subtotal ordinary gross deferred tax asset	2,325	1,814	511
Statutory valuation allowance - ordinary	2,325	1,814	511
Total admitted net deferred tax asset	$ -	$ -	$ -

The Company assessed the potential realization of the gross deferred tax asset and established a valuation allowance of $2,325 and $1,814 to reduce the gross deferred tax asset to $0 and $0 as of December 31, 2011 and 2010, respectively which represents the amount of the asset estimated to be recoverable via carryback of losses and reduction of future taxes**.** The application of the statutory valuation allowance is required under SSAP No. 10R effective for 2009 through 2011. The change in the valuation allowance is caused by insufficient income in the current period and insufficient projected income in the future periods.

The provision for federal income tax benefit is different from that which would be obtained by applying the statutory federal income tax rate of 35% to net loss before federal income taxes. The significant items causing this difference are as follows:

	2011	2010
Tax provision at the federal statutory rate	$ (7,899)	$ (3,786)
Change in statutory valuation allowance	511	1,298
Tax effect of nonadmitted assets	(116)	17
Total	$ (7,504)	$ (2,471)
Federal income tax benefit	$ (7,504)	$ (2,472)
Change in net deferred tax asset	-	1
Total statutory income taxes	$ (7,504)	$ (2,471)

At December 31, 2011, the Company had no net operating loss carryforwards.

Current federal income taxes payable (recoverable) of $2,945 and ($1,669) as of December 31, 2011 and 2010, respectively, are included in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus. Federal income taxes (received) paid, net of refunds is ($12,299) and $900 in 2011 and 2010, respectively is included in the statutory basis statement of cash flows.

There are no federal income taxes available for recoupment in 2011 and 2010, in the event of future net losses.

The Company has not admitted any aggregate amounts of deposits that are included within Section 6603 ("Deposits made to suspend running of interest on potential underpayments, etc.") of the Internal Revenue Service Code.

The Company does not have a provision for tax contingencies recorded as of December 31, 2011 or 2010.

The Company is included in a consolidated federal income tax return with its ultimate parent, UnitedHealth Group. The entities included within the consolidated return are included in NAIC Statutory Statement Schedule Y – Information Concerning Activities of Insurer Members Of A Holding Company Group. Federal income taxes are paid to or refunded by UnitedHealth Group pursuant to the terms of a tax-sharing agreement, approved by the Board of Directors, under which taxes approximate the amount that would have been computed on a separate company basis, with the exception of net operating losses and capital losses. For these losses, the Company receives a benefit at the federal rate in the current year for current taxable losses incurred in that year to the extent losses can be utilized in the consolidated federal income tax return of UnitedHealth Group. UnitedHealth Group currently files income tax returns in the U.S. federal jurisdiction, various states, and foreign jurisdictions. The U.S. Internal Revenue Service (IRS) has completed exams on UnitedHealth Group's consolidated income tax returns for fiscal years 2010 and prior. UnitedHealth Group's 2011 tax return is under advance review by the IRS under its Compliance Assurance Program (CAP). With the exception of a few states, UnitedHealth Group is no longer subject to income tax examinations prior to 2004 in major state and foreign jurisdictions. The Company does not believe any adjustments that may result from these examinations will be material to the Company.

10. INFORMATION CONCERNING PARENT, SUBSIDIARIES, AND AFFILIATES

Effective March 1, 2011, the Company entered into a management agreement (agreement) with UHS. This agreement has been approved by the DISB and replaces the previous agreement with UAS. UHS will provide similar services to the Company under a revised fee structure that is changing from a fee based on a percentage of revenue to a direct charge based on UHS' expenses for services or use of assets provided to the Company. In addition, UHS pays certain direct expenses, such as broker commissions, DOI exam fees and premium taxes on the behalf of the Company. UHS is reimbursed by the Company for these expenses.

Management believes that its transactions with affiliates are fair and reasonable; however, operations of the Company may not be indicative of those that would have occurred if it had operated as an independent company.

The Company expensed as hospital/medical benefits, general administrative expenses, and claims adjustment expenses $5,080 and $0 in capitation fees to related parties during 2011 and 2010, respectively. Under the agreement effective for March 1, 2011, UHS provides or arranges for services on behalf of the Company using a pass-through of charges incurred by UHS, Inc. on a Per Member Per Month (PMPM) basis (where the charge incurred by UHS is on a PMPM basis) or using another allocation methodology consistent with the agreement. These services include, but are not limited to, integrated personal health management solutions, such as disease management, treatment decision support and wellness services, including a 24-hour call-in service, access to a network of transplant providers and discount program services. OptumHealth Care Solutions, Inc. (formerly ACN Group, Inc.) provides chiropractic and physical therapy services. United Behavioral Health, Inc. provides mental health and substance abuse services.

(In thousands, except common capital stock share data)

The capitation expenses, administrative services, and access fees paid to related parties, that are included as hospital and medical expenses, general administrative expenses, and claims adjustment expenses in the accompanying statutory basis statements of operations for the years ended December 31, 2011 and 2010, are shown below:

	2011	2010
United Behavioral Health	$ 4,552	$ -
United HealthCare Services, Inc.	512	-
OptumHealth Care Solutions, Inc. (formerly ACN Group, Inc.)	16	-
Total	$ 5,080	$ -

UAS contracts with OptumRx to provide administrative services related to pharmacy management and claims processing to the Company for its enrollees. Effective January 1, 2011, the agreement between UAS and Optum Rx was replaced. The Company contracts directly with OptumRx to provide administrative services related to pharmacy management and pharmacy claims processing for its enrollees. Fees related to these agreements, which are calculated on a per-claim basis, of $366 and $193 in 2011 and 2010, respectively, are included in general administrative expenses and claims adjustment expenses in the accompanying statutory basis statements of operations. Additionally, OptumRx collects rebates on certain pharmaceutical products based on member utilization. Rebates related to these agreements of $452 and $340 in 2011 and 2010, respectively, are included as a reduction of prescription drugs in the accompanying statutory basis statements of operations.

At December 31, 2011 and 2010, the Company reports $464 and $0, respectively, as receivables from parent, subsidiaries and affiliates and $0 and $268, respectively, as amounts due to parent, subsidiaries, and affiliates, which are included in the statutory basis statements of admitted assets, liabilities, and capital and surplus. These balances are generally settled within 90 days from the incurred date. Any balances due to the Company that are not settled within 90 days are considered nonadmitted assets.

The Company has entered into a Tax Sharing Agreement with UnitedHealth Group (see Note 9).

The Company does not have any investments in a subsidiary, controlled, or affiliated entity that exceeds 10% of admitted assets.

The Company received surplus contributions of $22,000 and $14,000 in 2011 and 2010, respectively, from its parent (see Note 13).

The Company has not extended any guarantees or undertakings for the benefit of an affiliate or related party, it does not have any investments in a foreign insurance subsidiary and it does not hold any investments in a downstream noninsurance holding company.

11. DEBT

The Company had no outstanding debt with third parties during 2011 and 2010.

12. RETIREMENT PLANS, DEFERRED COMPENSATION, POSTEMPLOYMENT BENEFITS AND COMPENSATED ABSENCES, AND OTHER POSTRETIREMENT BENEFIT PLANS

The Company has no retirement plan, deferred compensation, or other benefit plans, since all personnel are employees of UHS, which provides services to the Company under the terms of a management agreement (see Note 10).

13. CAPITAL AND SURPLUS, SHAREHOLDERS' DIVIDEND RESTRICTIONS, AND QUASI-REORGANIZATIONS

The Company has 10,000 shares authorized and 1,000 shares issued and outstanding of $1 stated value common capital stock. The Company has no preferred stock outstanding. All issued and outstanding shares of common stock are held by the Company's parent, TRH.

Under the laws of the District of Columbia, each registered insurer shall report to the Commissioner of DISB all dividends and other distributions to shareholders within 15 business days following the declaration thereof. An extraordinary dividend or other extraordinary distribution to its shareholders cannot be made until (i) 30 days after the Mayor of the District of Columbia (Mayor) has received notice of the declaration and has not within this period disapproved such payment, or (ii) the Mayor shall have approved the payment within the 30-day period. An extraordinary dividend or distribution includes any dividend or distribution of cash or other property, whose fair market value together with that of other dividends or distributions made within the preceding 12 months, exceeds the lesser of (i) 10% of such insurer's surplus as regards policyholders as of the 31st day of December of the preceding year, or (ii) net income, not including realized capital gains, for the 12-month period ending the 31st day of December of the preceding year, but shall not include pro rata distributions of any class of the insurer's own securities. In determining whether a dividend or distribution is extraordinary, an insurer may carryforward net income from the previous two calendar years that has not already been paid out as dividends. The carryforward shall be computed by taking the net income from the second and third preceding calendar years, not including realized capital gains, less dividends paid in the second and immediate preceding calendar years.

(In thousands, except common capital stock share data)

The Company received a surplus contribution of $12,000 on September 28, 2011 and $10,000 on December 27, 2011 and $14,000 on December 27, 2010 respectively, from its parent.

There are no restrictions placed on the Company's unassigned surplus. The Company does not hold any stock, including stock of affiliated companies for special purposes, such as conversion of preferred stock, employee stock options or stock purchase warrants.

The Company does not have any special surplus funds.

The portion of unassigned surplus reduced by each item below is as follows:

	2011	**2010**
Nonadmitted assets	$ 380	$ 49
Correction of errors	337	-
Total	$ 717	$ 49

The Company has never been a party to a quasi-reorganization and does not have any outstanding surplus notes.

14. CONTINGENCIES

Because of the nature of the business, the Company is routinely made party to a variety of legal actions related to the design and management of its service offerings. The Company records liabilities for estimates of probable costs resulting from these matters where appropriate. These matters include, but are not limited to, claims relating to health care benefits coverage, medical malpractice actions, contract disputes, and claims related to certain other business practices. Although the outcomes of any such legal actions cannot be predicted, in the opinion of management, the resolution of any currently pending or threatened actions will not have a material adverse effect on the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus or statutory basis statements of operations of the Company.

The Company's business is regulated at the federal, state and local levels. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations. Further, the Company must obtain and maintain regulatory approvals to market and sell many of its products.

During the first quarter of 2010, the Patient Protection and Affordable Care Act and a reconciliation measure, the Health Care and Education Reconciliation Act of 2010 (collectively known as Health Reform Legislation), were signed into law. The Health Reform Legislation expands access to coverage and modifies aspects of the commercial insurance market, as well as the Medicaid and Medicare programs, CHIP (Children's Health Insurance Program), and other aspects of the health care system. Certain provisions of the Health Reform Legislation have already taken effect, and other provisions become effective at various dates over the next several years. The Department of Health and Human Services (HHS), the Department of Labor (DOL) and the Treasury Department have issued regulations (or proposed regulations) on a number of aspects of Health Reform Legislation, but the Company awaits final rules and interim guidance on other key aspects of the legislation. Certain aspects of the Health Reform Legislation are also being challenged in federal court, with the proponents of such challenges seeking to limit the scope of or have all or portions of the Health Reform Legislation declared unconstitutional. Congress may also withhold the funding necessary to implement the Health Reform Legislation, or may attempt to replace the legislation with amended provisions or repeal it altogether.

The Health Reform Legislation and the related federal and state regulations will impact how the Company does business and could restrict revenue and enrollment growth in certain products and market segments, restrict premium growth rates for certain products and market segments, increase the Company's medical and administrative costs, expose the Company to an increased risk of liability (including increasing our liability in federal and state courts for coverage determinations and contract interpretation) or put the Company at risk for loss of business. In addition, the Company's results of operations, financial condition, including the ability to maintain the value of goodwill, and cash flows could be materially adversely affected by such changes. The Health Reform Legislation may create new or expand existing opportunities for business growth, but due to its complexity, the impact of the Health Reform Legislation remains difficult to predict and is not yet fully known.

The Company is not aware of any assessments, potential or accrued, that could have a material financial effect on the operations of the entity or any gain contingencies that should be recorded or disclosed in the financial statements

There are no assets that the Company considers to be impaired at December 31, 2011 and 2010.

15. LEASES

According to the management agreement between the Company and UHS and UAS(see Note 10), operating leases for the rental of office facilities and equipment are the responsibility of UHS and UAS. Fees associated with the management agreement are included in the Company's management fee.

16. INFORMATION ABOUT FINANCIAL INSTRUMENTS WITH OFF-BALANCE-SHEET RISK AND FINANCIAL INSTRUMENTS WITH CONCENTRATIONS OF CREDIT RISK

The Company does not hold any financial instruments with off-balance-sheet risk or concentrations of credit risk.

17. SALE, TRANSFER, AND SERVICING OF FINANCIAL ASSETS AND EXTINGUISHMENTS OF LIABILITIES

The Company did not participate in any transfer of receivables, financial assets, or wash sales.

18. GAIN OR LOSS TO THE REPORTING ENTITY FROM UNINSURED PLANS AND THE UNINSURED PORTION OF PARTIALLY INSURED PLANS

The Company has $13 and $0 for amounts recoverable from uninsured plans for the years ended December 31, 2011 and December 31, 2010, respectively.

19. DIRECT PREMIUM WRITTEN/PRODUCED BY MANAGING GENERAL AGENTS/THIRD-PARTY ADMINISTRATORS

The Company did not have any direct premiums written or produced by managing general agents or third-party administrators.

20. FAIR VALUE MEASUREMENT

The NAIC SAP defines fair value, establishes a framework for measuring fair value, and outlines the disclosure requirements related to fair value measurements. The fair value hierarchy is as follows:

Level 1 — Quoted (unadjusted) prices for identical assets in active markets.

Level 2 — Other observable inputs, either directly or indirectly, including:

- Quoted prices for similar assets in active markets
- Quoted prices for identical or similar assets in nonactive markets (few transactions, limited information, noncurrent prices, high variability over time, etc.)
- Inputs other than quoted prices that are observable for the asset (interest rates, yield curves, volatilities, default rates, etc.)
- Inputs that are derived principally from or corroborated by other observable market data

Level 3 — Unobservable inputs that cannot be corroborated by observable market data.

The estimated fair values of bonds and short-term investments (investments) are based on quoted market prices, where available. The Company obtains one price for each security primarily from a third-party pricing service (pricing service), which generally uses quoted or other observable inputs for the determination of fair value. The pricing service normally derives the security prices through recently reported trades for identical or similar securities, making adjustments through the reporting date based upon available observable market information. For securities not actively traded, the pricing service may use quoted market prices of comparable instruments or discounted cash flow analyses, incorporating inputs that are currently observable in the markets for similar securities. Inputs that are often used in the valuation methodologies include, but are not limited to, non-binding broker quotes, benchmark yields, credit spreads, default rates and prepayment speeds. As the Company is responsible for the determination of fair value, it performs quarterly analyses on the prices received from the pricing service to determine whether the prices are reasonable estimates of fair value. Specifically, the Company compares the prices received from the pricing service to prices reported by its custodian, its investment consultant and third-party investment advisors. Additionally, the Company compares changes in the reported market values and returns to relevant market indices to test the reasonableness of the reported prices. Based on the Company's internal price verification procedures and review of fair value methodology documentation provided by independent pricing services, the Company has not historically adjusted the prices obtained from the pricing service.

In instances in which the inputs used to measure fair value fall into different levels of the fair value hierarchy, the fair value measurement has been determined based on the lowest level input that is significant to the fair value measurement in its entirety. The Company's assessment of the significance of a particular item to the fair value measurement in its entirety requires judgment, including the consideration of inputs specific to the asset or liability.

There were no transfers between Levels 1 and 2 during the year ended December 31, 2011 and 2010.

The Company has does not have any financial assets that are measured and reported at fair value on the statutory basis statements of admitted assets, liabilities, and capital and surplus at December 31, 2011 and 2010.

The Company does not have any financial assets with a fair value hierarchy of level 3.

21. OTHER ITEMS

The Company's business is regulated at federal, state and local levels, and the Company must obtain and maintain regulatory approvals to market and sell many of its products. The laws and rules governing the Company's business and interpretations of those laws and rules are subject to frequent change. Broad latitude is given to the agencies administering those regulations.. State legislatures and Congress continue to focus on health care issues.

The Company did not encounter any extraordinary items for the years ended December 31, 2011 or 2010.

The Company has no troubled debt restructurings as of December 31, 2011 or 2010.

The Company routinely evaluates the collectability of all receivable amounts included within the statutory basis statements of admitted assets, liabilities, and capital and surplus. Reserves are established for those amounts where collectability is uncertain. Based on the Company's past experience, exposure related to uncollectible balances and the potential of loss for those balances not currently reserved for is not material to the Company's financial condition.

The Company has not received any business interruption insurance recoveries during 2011 and 2010, and does not have any state transferable tax credits or hybrid securities as of December 31, 2011 and 2010.

The Company elected to use rounding in reporting amounts in the notes to statutory basis financial statements.

22. EVENTS SUBSEQUENT

The Company has evaluated subsequent events through March 1, 2011 which is the date these statutory basis financial statements were available for issuance.

There are no events subsequent to December 31, 2011, that require disclosure.

(In thousands, except common capital stock share data)

23. REINSURANCE

As of December 31, 2011 and 2010, the Company has no reinsurance arrangements with affiliated or unaffiliated reinsurers.

The effect of external reinsurance agreements on net premium income and hospital and medical expenses that were effective through April 30, 2009 is presented below:

	2011	2010
Premiums:		
Direct	$ 180,129	$ 131,170
Net premium income	$ 180,129	$ 131,170
Hospital and medical expenses:		
Direct	$ 178,476	$ 122,623
Assumed	-	(1)
Net hospital and medical expenses	$ 178,476	$ 122,622

The Company recognized reinsurance recoveries related to external reinsurance agreements of $0 and $(1) in 2011 and 2010, respectively, which are recorded as net reinsurance recoveries in the accompanying statutory basis statements of operations. In addition, there are no reinsurance recoverables related to external reinsurance agreements for paid losses that are recorded as reinsurance receivables and no unpaid losses that are recorded as a reduction to claims unpaid in 2011 and 2010, respectively, in the accompanying statutory basis statements of admitted assets, liabilities, and capital and surplus.

Ceded Reinsurance Report —

Section 1 — General Interrogatories

a. Are any nonaffiliated reinsurers owned in excess of 10% or controlled, either directly or indirectly, by the Company or by any representative, officer, trustee, or director of the Company?

Yes ( ) No (X)

b. Have any policies issued by the Company been reinsured with a company chartered in a country other than the United States (excluding U.S. branches of such companies) that is owned in excess of 10% or controlled directly or indirectly by an insured, a beneficiary, a creditor, or any other person not primarily engaged in the insurance business?

Yes ( ) No (X)

Section 2 — Ceded Reinsurance — Part A

1) Does the Company have any reinsurance agreements in effect under which the reinsurer may unilaterally cancel any reinsurance for reasons other than for nonpayment of premium or other similar credit?

Yes ( ) No (X)

2) Does the reporting entity have any reinsurance agreements in effect that the amount of losses paid or accrued through the statement date may result in a payment to the reinsurer of amounts that, in aggregate and allowing for offset of mutual credits from other reinsurance agreements with the same reinsurer, exceed the total direct premium collected under the reinsured policies?

Yes ( ) No (X)

Section 3 — Ceded reinsurance — Part B

1) What is the estimated amount of the aggregate reduction in surplus (for agreements other than those under which the reinsurer may unilaterally cancel for reasons other than for nonpayment of premium or other similar credits that are reflected in Section 2 above) of termination of all reinsurance agreements, by either party, as of the date of this statement? Where necessary, the Company may consider the current or anticipated experience of the business reinsured in making this estimate.

The Company estimates there should be no aggregate reduction in surplus for termination of all reinsurance agreements as of December 31, 2010.

2) Have any new agreements been executed or existing agreements amended, since January 1 of the year of this statement, to include policies or contracts that were in force or which had existing reserves established by the Company as of the effective date of the agreement?

Yes ( ) No (X)

Unsecured Reinsurance Recoverable — The Company does not have an unsecured aggregate reinsurance recovery receivable with any individual reinsurers, authorized or unauthorized, that exceeds 3% of the Company's policyholder surplus.

Reinsurance Recoverable in Dispute — The Company does not have a reinsurance recoverable balance that is being disputed by any individual reinsurer.

Reinsurance Assumed and Ceded — The Company does not have a provision in its reinsurance contract to return commissions to the reinsurer in the event that the Company cancels its reinsurance policy.

Uncollectible Reinsurance — During 2011 and 2010, there were no uncollectible reinsurance recoverables.

Commutation of Reinsurance — There was no commutation of reinsurance in 2011 or 2010.

Retroactive Reinsurance — The Company did not have a retroactive reinsurance agreement in 2011 or 2010.

24. RETROSPECTIVELY RATED CONTRACTS AND CONTRACTS SUBJECT TO REDETERMINATION

The Company does not have any retrospectively rated contracts or contracts subject to redetermination as of December 31, 2011 or 2010.

The Company does not have any business subject to specific minimum loss ratio requirements at December 31, 2011 pursuant to the Health Reform Legislation (See Note 14).

(In thousands, except common capital stock share data)

25. CHANGE IN INCURRED CLAIMS AND CLAIMS ADJUSTMENT EXPENSES

Changes in estimates related to the prior year incurred claims are included in total hospital and medical expenses in the current year in the accompanying statutory basis statements of operations. The following tables disclose paid claims, incurred claims, and the balance in the claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves and health care receivables for 2011 and 2010:

	2011		
	Current Year Incurred Claims	**Prior Years Incurred Claims**	**Total**
Beginning of year claim reserve	$ -	$ (28,467)	$ (28,467)
Paid claims, net of health care receivables	154,962	19,547	174,509
End of year claim reserve	30,702	1,737	32,439
Incurred claims excluding the change in health care receivables	185,664	(7,183)	178,481
Beginning of year health care receivables	-	587	587
End of year health care receivables	(592)	-	(592)
Total incurred claims	$ 185,072	$ (6,596)	$ 178,476

	2010		
	Current Year Incurred Claims	**Prior Years Incurred Claims**	**Total**
Beginning of year claim reserve	$ -	$ (16,038)	$ (16,038)
Paid claims, net of health care receivables and net reinsurance recoveries	103,235	7,545	110,780
End of year claim reserve	27,856	611	28,467
Incurred claims excluding the change in health care receivables	131,091	(7,882)	123,209
Beginning of year health care receivables	-	-	-
End of year health care receivables	(587)	-	(587)
Total incurred claims	$ 130,504	$ (7,882)	$ 122,622

(In thousands, except common capital stock share data)

The liability for claims unpaid, accrued medical incentive pool and bonus amounts, aggregate health claim reserves and health care receivables as of December 31, 2010 are $27,880. As of December 31, 2011, $19,547 has been paid for incurred claims attributable to insured events of prior years. Reserves remaining for prior years are now $1,737 as a result of re-estimation of unpaid claims. Therefore, there has been $6,596 favorable prior-year development since December 31, 2010 to December 31, 2011. The primary drivers consist of favorable development as a result of ongoing analysis of loss development trends related to the release and reestablishment of $1,956 in known environmental claims and $4,800 in retroactivity for inpatient, outpatient, physician, and pharmacy claims. At December 31, 2010, the Company has $7,882 of unfavorable development related to insured events of prior years primarily as a result of ongoing analysis of loss development trends and changes to the provider settlement reserves. Original estimates are increased or decreased, as additional information becomes known regarding individual claims.

The Company incurred claims adjustment expenses of $6,274 and $5,333 in 2011 and 2010, respectively. Effective March 1, 2011, these costs are included in the management service fees paid by the Company to UHS as a part of its management agreement (see Note 10). Prior to March 1, 2011, the company paid UAS for similiar services.

The following tables disclose paid CAE, incurred CAE, and the balance in the unpaid claim adjustment expenses reserve for 2011 and 2010:

	2011	**2010**
Total claims adjustment expenses incurred	$ 6,274	$ 5,333
Less current year unpaid claims adjustment expenses	(587)	(525)
Add prior year unpaid claims adjustment expenses	525	267
Total claims adjustment expenses paid	$ 6,212	$ 5,075

26. INTERCOMPANY POOLING ARRANGEMENTS

The Company did not have any intercompany pooling arrangements in 2011 or 2010.

27. STRUCTURED SETTLEMENTS

The Company did not have structured settlements in 2011 or 2010.

28. HEALTH CARE AND OTHER RECEIVABLES

Pharmaceutical rebates receivable are recorded when reasonably estimated or billed by the affiliated pharmaceutical benefit manager in accordance with pharmaceutical rebate contract provisions. Information used to support rebates billed to the manufacturer is based on utilization information gathered by the pharmaceutical benefit manager and adjusted for significant changes in pharmaceutical contract provisions. The Company has excluded receivables that do not meet the admissibility criteria from the statutory basis statements of admitted assets, liabilities, and capital and surplus.

The collection history of pharmacy rebates is summarized as:

Quarter	**Estimated Pharmacy Rebates**	**Pharmacy Rebates as Invoiced/ Confirmed**	**Rebates Collected Within 90 Days of Invoicing/ Confirmation**	**Rebates Collected Within 91 to 180 Days of Invoicing/ Confirmation**	**Rebates Collected More than 181 Days of Invoicing/ Confirmation**
December 31, 2011	$ 128	$ -	$ -	$ -	$ -
September 30, 2011	-	100	18	-	-
June 30, 2011	-	116	32	78	-
March 31, 2011	-	79	24	18	34
December 31, 2010	-	84	29	26	26
September 30, 2010	-	127	28	92	5
June 30, 2010	-	63	11	44	8
March 31, 2010	-	36	3	26	6
December 31, 2009	-	30	3	17	9
September 30, 2009	-	19	3	6	9
June 30, 2009	-	21	3	6	11
March 31, 2009	-	15	1	4	10

Of the amount reported as admitted health care receivables, $200 and $161, relates to pharmaceutical rebate receivables and $11 and $376 provider overpayment receivables as of December 31, 2011 and 2010, respectively.

29. PARTICIPATING POLICIES

The Company did not have any participating contracts in 2011 or 2010.

30. PREMIUM DEFICIENCY RESERVES

The Company has a liability of $5,446 and $4,516 for premium deficiency reserves, as of December 31, 2011 and 2010, respectively. The analysis of the premium deficiency reserves is completed as of December 31, 2011 and 2010, respectively. Premium deficiency reserves are included in aggregate health policy reserves in the statutory basis statements of admitted assets, liabilities, and capital and surplus. The Company did consider anticipated investment income when calculating its premium deficiency reserves.

31. ANTICIPATED SALVAGE AND SUBROGATION

Due to the type of business being written, the Company has no salvage. As of December 31, 2011 and 2010, the Company had no specific accruals established for outstanding subrogation, as it is considered a component of the actuarial calculations used to develop the estimates of claims unpaid and aggregate health claim reserves.

* * * * * *

GENERAL INTERROGATORIES

PART 1 - COMMON INTERROGATORIES
GENERAL

1.1 Is the reporting entity a member of an Insurance Holding Company System consisting of two or more affiliated persons, one or more of which is an insurer? Yes [X] No [ ]

1.2 If yes, did the reporting entity register and file with its domiciliary State Insurance Commissioner, Director or Superintendent, or with such regulatory official of the state of domicile of the principal insurer in the Holding Company System, a registration statement providing disclosure substantially similar to the standards adopted by the National Association of Insurance Commissioners (NAIC) in its Model Insurance Holding Company System Regulatory Act and model regulations pertaining thereto, or is the reporting entity subject to standards and disclosure requirements substantially similar to those required by such Act and regulations? Yes [X] No [ ] N/A [ ]

1.3 State Regulating? District of Columbia

2.1 Has any change been made during the year of this statement in the charter, by-laws, articles of incorporation, or deed of settlement of the reporting entity? Yes [ ] No [X]

2.2 If yes, date of change:

3.1 State as of what date the latest financial examination of the reporting entity was made or is being made. 08/31/2007

3.2 State the as of date that the latest financial examination report became available from either the state of domicile or the reporting entity. This date should be the date of the examined balance sheet and not the date the report was completed or released. 08/31/2007

3.3 State as of what date the latest financial examination report became available to other states or the public from either the state of domicile or the reporting entity. This is the release date or completion date of the examination report and not the date of the examination (balance sheet date). 02/10/2008

3.4 By what department or departments?
District of Columbia Department of Insurance, Securities and Banking

3.5 Have all financial statement adjustments within the latest financial examination report been accounted for in a subsequent financial statement filed with Departments? Yes [ ] No [ ] N/A [X]

3.6 Have all of the recommendations within the latest financial examination report been complied with? Yes [X] No [ ] N/A [ ]

4.1 During the period covered by this statement, did any agent, broker, sales representative, non-affiliated sales/service organization or any combination thereof under common control (other than salaried employees of the reporting entity), receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.11 sales of new business? Yes [ ] No [X]
4.12 renewals? Yes [ ] No [X]

4.2 During the period covered by this statement, did any sales/service organization owned in whole or in part by the reporting entity or an affiliate, receive credit or commissions for or control a substantial part (more than 20 percent of any major line of business measured on direct premiums) of:
4.21 sales of new business? Yes [ ] No [X]
4.22 renewals? Yes [ ] No [X]

5.1 Has the reporting entity been a party to a merger or consolidation during the period covered by this statement? Yes [ ] No [X]

5.2 If yes, provide the name of the entity, NAIC Company Code, and state of domicile (use two letter state abbreviation) for any entity that has ceased to exist as a result of the merger or consolidation.

1 Name of Entity	2 NAIC Company Code	3 State of Domicile

6.1 Has the reporting entity had any Certificates of Authority, licenses or registrations (including corporate registration, if applicable) suspended or revoked by any governmental entity during the reporting period? Yes [ ] No [X]

6.2 If yes, give full information:

7.1 Does any foreign (non-United States) person or entity directly or indirectly control 10% or more of the reporting entity? Yes [ ] No [X]

7.2 If yes,
7.21 State the percentage of foreign control; %
7.22 State the nationality(s) of the foreign person(s) or entity(s) or if the entity is a mutual or reciprocal, the nationality of its manager or attorney-in-fact; and identify the type of entity(s) (e.g., individual, corporation or government, manager or attorney in fact).

1 Nationality	2 Type of Entity

GENERAL INTERROGATORIES

8.1 Is the company a subsidiary of a bank holding company regulated by the Federal Reserve Board? Yes [ ] No [X]

8.2 If response to 8.1 is yes, please identify the name of the bank holding company.

8.3 Is the company affiliated with one or more banks, thrifts or securities firms? Yes [X] No [ ]

8.4 If response to 8.3 is yes, please provide the names and locations (city and state of the main office) of any affiliates regulated by a federal financial regulatory services agency [i.e. the Federal Reserve Board (FRB), the Office of the Comptroller of the Currency (OCC), the Office of Thrift Supervision (OTS), the Federal Deposit Insurance Corporation (FDIC) and the Securities Exchange Commission (SEC)] and identify the affiliate's primary federal regulator.

1 Affiliate Name	2 Location (City, State)	3 FRB	4 OCC	5 OTS	6 FDIC	7 SEC
OptumHealth Bank, Inc.	Salt Lake City, Utah	NO	NO	NO	YES	NO

9. What is the name and address of the independent certified public accountant or accounting firm retained to conduct the annual audit?
Baker Tilly Virchow Krause LLP, Minneapolis, MN

10.1 Has the insurer been granted any exemptions to the prohibited non-audit services provided by the certified independent public accountant requirements as allowed in Section 7H of the Annual Financial Reporting Model Regulation (Model Audit Rule), or substantially similar state law or regulation? Yes [ ] No [X]

10.2 If the response to 10.1 is yes, provide information related to this exemption:

10.3 Has the insurer been granted any exemptions related to the other requirements of the Annual Financial Reporting Model Regulation as allowed for in Section 17A of the Model Regulation, or substantially similar state law or regulation? Yes [ ] No [X]

10.4 If the response to 10.3 is yes, provide information related to this exemption:

10.5 Has the reporting entity established an Audit Committee in compliance with the domiciliary state insurance laws? Yes [X] No [ ] N/A [ ]

10.6 If the response to 10.5 is no or n/a, please explain

11. What is the name, address and affiliation (officer/employee of the reporting entity or actuary/consultant associated with an actuarial consulting firm) of the individual providing the statement of actuarial opinion/certification?
Jed L. Linfield, FSA, MAAA, Director of Actuarial Reserving Services, United HealthCare Services, Inc., 12018 Sunrise Valley Drive, Reston, Virginia 20191

12.1 Does the reporting entity own any securities of a real estate holding company or otherwise hold real estate indirectly? Yes [ ] No [X]

12.11 Name of real estate holding company

12.12 Number of parcels involved

12.13 Total book/adjusted carrying value $

12.2 If, yes provide explanation:

13. **FOR UNITED STATES BRANCHES OF ALIEN REPORTING ENTITIES ONLY:**

13.1 What changes have been made during the year in the United States manager or the United States trustees of the reporting entity?

13.2 Does this statement contain all business transacted for the reporting entity through its United States Branch on risks wherever located? Yes [ ] No [ ]

13.3 Have there been any changes made to any of the trust indentures during the year? Yes [ ] No [ ]

13.4 If answer to (13.3) is yes, has the domiciliary or entry state approved the changes? Yes [ ] No [ ] N/A [ ]

14.1 Are the senior officers (principal executive officer, principal financial officer, principal accounting officer or controller, or persons performing similar functions) of the reporting entity subject to a code of ethics, which includes the following standards? Yes [X] No [ ]
(a) Honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships;
(b) Full, fair, accurate, timely and understandable disclosure in the periodic reports required to be filed by the reporting entity;
(c) Compliance with applicable governmental laws, rules and regulations;
(d) The prompt internal reporting of violations to an appropriate person or persons identified in the code; and
(e) Accountability for adherence to the code.

14.11 If the response to 14.1 is No, please explain:

14.2 Has the code of ethics for senior managers been amended? Yes [X] No [ ]

14.21 If the response to 14.2 is yes, provide information related to amendment(s).
UnitedHealth Group’s previous code of conduct (“The Principles of Ethics & Integrity”) was somewhat outdated and had not been substantially revised in many years. In 2010, the Company’s compliance and ethics team began the process of researching best practices and benchmarking our code against other companies' codes. On May 24, 2011, the UnitedHealth Group Board of Directors adopted the newly revised “Code of Conduct: Our Principles of Ethics & Integrity.” The Code covers all employees at all levels. The topics covered in the new Code are not considerably different, but the material is now much more user- friendly, intuitive and helpful in both aesthetics and content.

14.3 Have any provisions of the code of ethics been waived for any of the specified officers? Yes [ ] No [X]

14.31 If the response to 14.3 is yes, provide the nature of any waiver(s).

GENERAL INTERROGATORIES

15.1 Is the reporting entity the beneficiary of a Letter of Credit that is unrelated to reinsurance with a NAIC rating of 3 or below? Yes [ ] No [X]

15.2 If the response to 15.1 is yes, indicate the American Bankers Association (ABA) Routing Number and the name of the issuing or confirming bank of the Letter of Credit and describe the circumstances in which the Letter of Credit is triggered.

1 American Bankers Association (ABA) Routing Number	2 Issuing or Confirming Bank Name	3 Circumstances That Can Trigger the Letter of Credit	4 Amount

BOARD OF DIRECTORS

16. Is the purchase or sale of all investments of the reporting entity passed upon either by the board of directors or a subordinate committee thereof? Yes [X] No [ ]

17. Does the reporting entity keep a complete permanent record of the proceedings of its board of directors and all subordinate committees thereof? Yes [X] No [ ]

18. Has the reporting entity an established procedure for disclosure to its board of directors or trustees of any material interest or affiliation on the part of any of its officers, directors, trustees or responsible employees that is in conflict with the official duties of such person? Yes [X] No [ ]

FINANCIAL

19. Has this statement been prepared using a basis of accounting other than Statutory Accounting Principles (e.g., Generally Accepted Accounting Principles)? Yes [ ] No [X]

20.1 Total amount loaned during the year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.11 To directors or other officers $ 0
- 20.12 To stockholders not officers $ 0
- 20.13 Trustees, supreme or grand (Fraternal Only) $ 0

20.2 Total amount of loans outstanding at the end of year (inclusive of Separate Accounts, exclusive of policy loans):
- 20.21 To directors or other officers $ 0
- 20.22 To stockholders not officers $ 0
- 20.23 Trustees, supreme or grand (Fraternal Only) $ 0

21.1 Were any assets reported in this statement subject to a contractual obligation to transfer to another party without the liability for such obligation being reported in the statement? Yes [ ] No [X]

21.2 If yes, state the amount thereof at December 31 of the current year:
- 21.21 Rented from others $
- 21.22 Borrowed from others $
- 21.23 Leased from others $
- 21.24 Other $

22.1 Does this statement include payments for assessments as described in the Annual Statement Instructions other than guaranty fund or guaranty association assessments? Yes [ ] No [X]

22.2 If answer is yes:
- 22.21 Amount paid as losses or risk adjustment $
- 22.22 Amount paid as expenses $
- 22.23 Other amounts paid $

23.1 Does the reporting entity report any amounts due from parent, subsidiaries or affiliates on Page 2 of this statement? Yes [X] No [ ]

23.2 If yes, indicate any amounts receivable from parent included in the Page 2 amount: $ 0

INVESTMENT

24.1 Were all the stocks, bonds and other securities owned December 31 of current year, over which the reporting entity has exclusive control, in the actual possession of the reporting entity on said date? (other than securities lending programs addressed in 24.3) Yes [X] No [ ]

24.2 If no, give full and complete information relating thereto

24.3 For security lending programs, provide a description of the program including value for collateral and amount of loaned securities, and whether collateral is carried on or off-balance sheet. (an alternative is to reference Note 17 where this information is also provided)

24.4 Does the Company's security lending program meet the requirements for a conforming program as outlined in the Risk-Based Capital Instructions? Yes [ ] No [ ] N/A [X]

24.5 If answer to 24.4 is yes, report amount of collateral for conforming programs. $

24.6 If answer to 24.4 is no, report amount of collateral for other programs. $

24.7 Does your securities lending program require 102% (domestic securities) and 105% (foreign securities) from the counterparty at the outset of the contract? Yes [ ] No [ ] N/A [X]

24.8 Does the reporting entity non-admit when the collateral received from the counterparty falls below 100%? Yes [ ] No [ ] N/A [X]

24.9 Does the reporting entity or the reporting entity 's securities lending agent utilize the Master Securities lending Agreement (MSLA) to conduct securities lending? Yes [ ] No [ ] N/A [X]

GENERAL INTERROGATORIES

25.1 Were any of the stocks, bonds or other assets of the reporting entity owned at December 31 of the current year not exclusively under the control of the reporting entity, or has the reporting entity sold or transferred any assets subject to a put option contract that is currently in force? (Exclude securities subject to Interrogatory 21.1 and 24.3). Yes [X] No [ ]

25.2 If yes, state the amount thereof at December 31 of the current year:

25.21 Subject to repurchase agreements	$
25.22 Subject to reverse repurchase agreements	$
25.23 Subject to dollar repurchase agreements	$
25.24 Subject to reverse dollar repurchase agreements	$
25.25 Pledged as collateral	$
25.26 Placed under option agreements	$
25.27 Letter stock or other securities restricted as to sale	$
25.28 On deposit with state or other regulatory body	$ 312,321
25.29 Other	$

25.3 For category (25.27) provide the following:

1 Nature of Restriction	2 Description	3 Amount

26.1 Does the reporting entity have any hedging transactions reported on Schedule DB? Yes [ ] No [X]

26.2 If yes, has a comprehensive description of the hedging program been made available to the domiciliary state? Yes [ ] No [ ] N/A [X]
If no, attach a description with this statement.

27.1 Were any preferred stocks or bonds owned as of December 31 of the current year mandatorily convertible into equity, or, at the option of the issuer, convertible into equity? Yes [ ] No [X]

27.2 If yes, state the amount thereof at December 31 of the current year. $

28. Excluding items in Schedule E - Part 3 - Special Deposits, real estate, mortgage loans and investments held physically in the reporting entity's offices, vaults or safety deposit boxes, were all stocks, bonds and other securities, owned throughout the current year held pursuant to a custodial agreement with a qualified bank or trust company in accordance with Section 1, III - General Examination Considerations, F. Outsourcing of Critical Functions, Custodial or Safekeeping Agreements of the NAIC Financial Condition Examiners Handbook? Yes [X] No [ ]

28.01 For agreements that comply with the requirements of the NAIC Financial Condition Examiners Handbook, complete the following:

1 Name of Custodian(s)	2 Custodian's Address
Bank of New York Mellon	Global Liquidity Services, 1 Wall St. 14th Floor, New York, NY 10286

28.02 For all agreements that do not comply with the requirements of the NAIC Financial Condition Examiners Handbook, provide the name, location and a complete explanation:

1 Name(s)	2 Location(s)	3 Complete Explanation(s)

28.03 Have there been any changes, including name changes, in the custodian(s) identified in 28.01 during the current year? Yes [ ] No [X]

28.04 If yes, give full and complete information relating thereto:

1 Old Custodian	2 New Custodian	3 Date of Change	4 Reason

28.05 Identify all investment advisors, brokers/dealers or individuals acting on behalf of brokers/dealers that have access to the investment accounts, handle securities and have authority to make investments on behalf of the reporting entity:

1 Central Registration Depository Number(s)	2 Name	3 Address
N/A	Internally Managed	N/A

GENERAL INTERROGATORIES

29.1 Does the reporting entity have any diversified mutual funds reported in Schedule D, Part 2 (diversified according to the Securities and Exchange Commission (SEC) in the Investment Company Act of 1940 [Section 5(b)(1)])? Yes [ ] No [X]

29.2 If yes, complete the following schedule:

1 CUSIP #	2 Name of Mutual Fund	3 Book/Adjusted Carrying Value
29.2999 - Total		0

29.3 For each mutual fund listed in the table above, complete the following schedule:

1 Name of Mutual Fund (from above table)	2 Name of Significant Holding of the Mutual Fund	3 Amount of Mutual Fund's Book/Adjusted Carrying Value Attributable to the Holding	4 Date of Valuation

30. Provide the following information for all short-term and long-term bonds and all preferred stocks. Do not substitute amortized value or statement value for fair value.

	1 Statement (Admitted) Value	2 Fair Value	3 Excess of Statement over Fair Value (-), or Fair Value over Statement (+)
30.1 Bonds	3,248,160	3,249,156	996
30.2 Preferred stocks	0		0
30.3 Totals	3,248,160	3,249,156	996

30.4 Describe the sources or methods utilized in determining the fair values:
For those securities that had prices in the NAIC SVO ISIS database, those prices were used; for those securities that did not have prices in the NAIC SVO ISIS database, pricing was obtained from HUB which is an external sources vendor. Hub utilizes various pricing sources.

31.1 Was the rate used to calculate fair value determined by a broker or custodian for any of the securities in Schedule D? Yes [ ] No [X]

31.2 If the answer to 31.1 is yes, does the reporting entity have a copy of the broker's or custodian's pricing policy (hard copy or electronic copy) for all brokers or custodians used as a pricing source? Yes [ ] No [ ]

31.3 If the answer to 31.2 is no, describe the reporting entity's process for determining a reliable pricing source for purposes of disclosure of fair value for Schedule D:
http://www.hubdata.com/HMDWeb/Logon.asp

32.1 Have all the filing requirements of the Purposes and Procedures Manual of the NAIC Securities Valuation Office been followed? Yes [X] No [ ]

32.2 If no, list exceptions:

GENERAL INTERROGATORIES

OTHER

33.1 Amount of payments to trade associations, service organizations and statistical or rating bureaus, if any? $ 0

33.2 List the name of the organization and the amount paid if any such payment represented 25% or more of the total payments to trade associations, service organizations and statistical or rating bureaus during the period covered by this statement.

1 Name	2 Amount Paid

34.1 Amount of payments for legal expenses, if any? $ 0

34.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payments for legal expenses during the period covered by this statement.

1 Name	2 Amount Paid

35.1 Amount of payments for expenditures in connection with matters before legislative bodies, officers or departments of government, if any? $ 0

35.2 List the name of the firm and the amount paid if any such payment represented 25% or more of the total payment expenditures in connection with matters before legislative bodies, officers or departments of government during the period covered by this statement.

1 Name	2 Amount Paid

GENERAL INTERROGATORIES

PART 2 - HEALTH INTERROGATORIES

1.1 Does the reporting entity have any direct Medicare Supplement Insurance in force? Yes [ ] No [X]

1.2 If yes, indicate premium earned on U.S. business only. $

1.3 What portion of Item (1.2) is not reported on the Medicare Supplement Insurance Experience Exhibit? $

1.31 Reason for excluding

1.4 Indicate amount of earned premium attributable to Canadian and/or Other Alien not included in Item (1.2) above $

1.5 Indicate total incurred claims on all Medicare Supplement Insurance. $ 0

1.6 Individual policies:

Most current three years:

1.61 Total premium earned $ 0

1.62 Total incurred claims $ 0

1.63 Number of covered lives 0

All years prior to most current three years:

1.64 Total premium earned $ 0

1.65 Total incurred claims $ 0

1.66 Number of covered lives 0

1.7 Group policies:

Most current three years:

1.71 Total premium earned $ 0

1.72 Total incurred claims $ 0

1.73 Number of covered lives 0

All years prior to most current three years:

1.74 Total premium earned $ 0

1.75 Total incurred claims $ 0

1.76 Number of covered lives 0

2. Health Test:

		1 Current Year	2 Prior Year
2.1	Premium Numerator	180,128,556	131,169,928
2.2	Premium Denominator	180,128,556	131,169,928
2.3	Premium Ratio (2.1/2.2)	1.000	1.000
2.4	Reserve Numerator	37,885,331	32,982,378
2.5	Reserve Denominator	37,885,331	32,982,378
2.6	Reserve Ratio (2.4/2.5)	1.000	1.000

3.1 Has the reporting entity received any endowment or gift from contracting hospitals, physicians, dentists, or others that is agreed will be returned when, as and if the earnings of the reporting entity permits? Yes [ ] No [X]

3.2 If yes, give particulars:

4.1 Have copies of all agreements stating the period and nature of hospitals', physicians', and dentists' care offered to subscribers and dependents been filed with the appropriate regulatory agency? Yes [X] No [ ]

4.2 If not previously filed, furnish herewith a copy(ies) of such agreement(s). Do these agreements include additional benefits offered? Yes [ ] No [X]

5.1 Does the reporting entity have stop-loss reinsurance? Yes [ ] No [X]

5.2 If no, explain:

The Company is not required by statute or by the District of Columbia, Office of Managed Care, to have stop-loss insurance.

5.3 Maximum retained risk (see instructions)

5.31 Comprehensive Medical $ 0

5.32 Medical Only $ 0

5.33 Medicare Supplement $ 0

5.34 Dental & Vision $ 0

5.35 Other Limited Benefit Plan $ 0

5.36 Other $ 0

6. Describe arrangement which the reporting entity may have to protect subscribers and their dependents against the risk of insolvency including hold harmless provisions, conversion privileges with other carriers, agreements with providers to continue rendering services, and any other agreements:

7.1 Does the reporting entity set up its claim liability for provider services on a service date basis? Yes [X] No [ ]

7.2 If no, give details

8. Provide the following information regarding participating providers:

8.1 Number of providers at start of reporting year 3,396

8.2 Number of providers at end of reporting year 3,386

9.1 Does the reporting entity have business subject to premium rate guarantees? Yes [ ] No [X]

9.2 If yes, direct premium earned:

9.21 Business with rate guarantees between 15-36 months $

9.22 Business with rate guarantees over 36 months $

GENERAL INTERROGATORIES

10.1 Does the reporting entity have Incentive Pool, Withhold or Bonus Arrangements in its provider contracts? Yes [X] No [ ]

10.2 If yes:

10.21 Maximum amount payable bonuses	$	89,373
10.22 Amount actually paid for year bonuses	$	89,705
10.23 Maximum amount payable withholds	$	
10.24 Amount actually paid for year withholds	$	

11.1 Is the reporting entitiy organized as:

11.12 A Medical Group/Staff Model,	Yes [ ] No [X]
11.13 An Individual Practice Association (IPA), or,	Yes [ ] No [X]
11.14 A Mixed Model (combination of above)?	Yes [ ] No [X]

11.2 Is the reporting entity subject to Minimum Net Worth Requirements? Yes [X] No [ ]

11.3 If yes, show the name of the state requiring such net worth. District of Columbia

11.4 If yes, show the amount required. $ 11,159,454

11.5 Is this amount included as part of a contingency reserve in stockholder's equity? Yes [ ] No [X]

11.6 If the amount is calculated, show the calculation

Greater of $1,000,000 or Premium Revenues, first $150M at 2% and over $150M at 1%, or uncovered expenditures, or 8% of FFS and hospital non-contracted costs, except those paid on a capitated basis, and 4% of contracted hospital costs per DT ST 31-3412 2 (A, B, C, & D i, ii).

12. List service areas in which reporting entity is licensed to operate:

1 Name of Service Area
District of Columbia

13.1 Do you act as a custodian for health savings accounts? Yes [ ] No [X]

13.2 If yes, please provide the amount of custodial funds held as of the reporting date. $

13.3 Do you act as an administrator for health savings accounts? Yes [ ] No [X]

13.4 If yes, please provide the balance of funds administered as of the reporting date. $

FIVE-YEAR HISTORICAL DATA

		1 2011	2 2010	3 2009	4 2008	5 2007
	Balance Sheet (Pages 2 and 3)					
1.	Total admitted assets (Page 2, Line 28)	68,896,523	54,234,368	31,811,873	14,640,541	1,526,916
2.	Total liabilities (Page 3, Line 24)	44,351,111	35,957,572	19,236,949	14,764,103	0
3.	Statutory surplus	11,159,454	7,891,766	4,685,770	1,775,135	1,500,000
4.	Total capital and surplus (Page 3, Line 33)	24,545,412	18,276,796	12,574,924	(123,562)	1,526,916
	Income Statement (Page 4)					
5.	Total revenues (Line 8)	180,131,975	131,191,895	71,335,766	32,571,324	0
6.	Total medical and hospital expenses (Line 18)	178,476,241	122,622,352	72,939,051	32,662,665	0
7.	Claims adjustment expenses (Line 20)	6,274,038	5,332,881	1,966,356	1,286,432	0
8.	Total administrative expenses (Line 21)	17,026,051	10,586,217	6,496,253	3,683,659	0
9.	Net underwriting gain (loss) (Line 24)	(22,574,676)	(10,846,974)	(9,384,154)	(6,761,432)	0
10.	Net investment gain (loss) (Line 27)	7,575	16,387	41,053	133,487	26,916
11.	Total other income (Lines 28 plus 29)	0	12,845	0	0	0
12.	Net income or (loss) (Line 32)	(15,063,196)	(8,346,634)	(5,875,911)	(4,977,743)	26,916
	Cash Flow (Page 6)					
13.	Net cash from operations (Line 11)	(4,359,005)	4,315,844	3,223,341	4,107,311	17,459
	Risk-Based Capital Analysis					
14.	Total adjusted capital	24,545,412	18,276,796	12,574,924	(123,562)	1,526,916
15.	Authorized control level risk-based capital	7,307,816	5,248,584	3,431,984	2,167,468	3,329
	Enrollment (Exhibit 1)					
16.	Total members at end of period (Column 5, Line 7)	55,098	54,659	28,330	27,430	0
17.	Total members months (Column 6, Line 7)	646,926	546,825	340,900	165,783	0
	Operating Percentage (Page 4) (Item divided by Page 4, sum of Lines 2, 3 and 5) x 100.0					
18.	Premiums earned plus risk revenue (Line 2 plus Lines 3 and 5)	100.0	100.0	100.0	100.0	100.0
19.	Total hospital and medical plus other non-health (Lines 18 plus Line 19)	99.1	93.5	102.2	100.3	0.0
20.	Cost containment expenses	2.5	2.8	2.0	1.6	0.0
21.	Other claims adjustment expenses	1.0	1.2	0.8	2.3	0.0
22.	Total underwriting deductions (Line 23)	112.5	108.3	113.2	120.8	0.0
23.	Total underwriting gain (loss) (Line 24)	(12.5)	(8.3)	(13.2)	(20.8)	0.0
	Unpaid Claims Analysis (U&I Exhibit, Part 2B)					
24.	Total claims incurred for prior years (Line 13, Col. 5)	21,283,962	8,155,583	9,416,763	0	0
25.	Estimated liability of unpaid claims-[prior year (Line 13, Col. 6)]	27,879,929	16,037,528	11,668,908	0	0
	Investments In Parent, Subsidiaries and Affiliates					
26.	Affiliated bonds (Sch. D Summary, Line 12, Col. 1)	0	0	0	0	0
27.	Affiliated preferred stocks (Sch. D Summary, Line 18, Col. 1)				0	0
28.	Affiliated common stocks (Sch. D Summary, Line 24, Col. 1)				0	0
29.	Affiliated short-term investments (subtotal included in Schedule DA Verification, Col. 5, Line 10)	0	0	0	0	0
30.	Affiliated mortgage loans on real estate					
31.	All other affiliated					
32.	Total of above Lines 26 to 31	0	0	0	0	0

NOTE: If a party to a merger, have the two most recent years of this exhibit been restated due to a merger in compliance with the disclosure requirements of SSAP No. 3, Accounting Changes and Correction of Errors? Yes [ ] No [ ]
If no, please explain:

SCHEDULE T PREMIUMS AND OTHER CONSIDERATIONS

Allocated by States and Territories

		1	Direct Business Only							
			2	3	4	5	6	7	8	9
	States, etc.	Active Status	Accident & Health Premiums	Medicare Title XVIII	Medicaid Title XIX	Federal Employees Health Benefits Program Premiums	Life & Annuity Premiums & Other Considerations	Property/ Casualty Premiums	Total Columns 2 Through 7	Deposit-Type Contracts
1.	Alabama AL	N							0	
2.	Alaska AK	N							0	
3.	Arizona AZ	N							0	
4.	Arkansas AR	N							0	
5.	California CA	N							0	
6.	Colorado CO	N							0	
7.	Connecticut CT	N							0	
8.	Delaware DE	N							0	
9.	District of Columbia DC	L	19,770,677		160,357,879				180,128,556	
10.	Florida FL	N							0	
11.	Georgia GA	N							0	
12.	Hawaii HI	N							0	
13.	Idaho ID	N							0	
14.	Illinois IL	N							0	
15.	Indiana IN	N							0	
16.	Iowa IA	N							0	
17.	Kansas KS	N							0	
18.	Kentucky KY	N							0	
19.	Louisiana LA	N							0	
20.	Maine ME	N							0	
21.	Maryland MD	N							0	
22.	Massachusetts MA	N							0	
23.	Michigan MI	N							0	
24.	Minnesota MN	N							0	
25.	Mississippi MS	N							0	
26.	Missouri MO	N							0	
27.	Montana MT	N							0	
28.	Nebraska NE	N							0	
29.	Nevada NV	N							0	
30.	New Hampshire NH	N							0	
31.	New Jersey NJ	N							0	
32.	New Mexico NM	N							0	
33.	New York NY	N							0	
34.	North Carolina NC	N							0	
35.	North Dakota ND	N							0	
36.	Ohio OH	N							0	
37.	Oklahoma OK	N							0	
38.	Oregon OR	N							0	
39.	Pennsylvania PA	N							0	
40.	Rhode Island RI	N							0	
41.	South Carolina SC	N							0	
42.	South Dakota SD	N							0	
43.	Tennessee TN	N							0	
44.	Texas TX	N							0	
45.	Utah UT	N							0	
46.	Vermont VT	N							0	
47.	Virginia VA	N							0	
48.	Washington WA	N							0	
49.	West Virginia WV	N							0	
50.	Wisconsin WI	N							0	
51.	Wyoming WY	N							0	
52.	American Samoa AS	N							0	
53.	Guam GU	N							0	
54.	Puerto Rico PR	N							0	
55.	U.S. Virgin Islands VI	N							0	
56.	Northern Mariana Islands MP	N							0	
57.	Canada CN	N							0	
58.	Aggregate other alien OT	XXX	0	0	0	0	0	0	0	0
59.	Subtotal	XXX	19,770,677	0	160,357,879	0	0	0	180,128,556	0
60.	Reporting entity contributions for Employee Benefit Plans	XXX							0	
61.	Total (Direct Business)	(a) 1	19,770,677	0	160,357,879	0	0	0	180,128,556	0
	DETAILS OF WRITE-INS									
5801.		XXX								
5802.		XXX								
5803.		XXX								
5898.	Summary of remaining write-ins for Line 58 from overflow page	XXX	0	0	0	0	0	0	0	0
5899.	Totals (Lines 5801 through 5803 plus 5898)(Line 58 above)	XXX	0	0	0	0	0	0	0	0

(L) Licensed or Chartered - Licensed Insurance Carrier or Domiciled RRG; (R) Registered - Non-domiciled RRGs; (Q) Qualified - Qualified or Accredited Reinsurer; (E) Eligible - Reporting Entities eligible or approved to write Surplus Lines in the state; (N) None of the above - Not allowed to write business in the state.

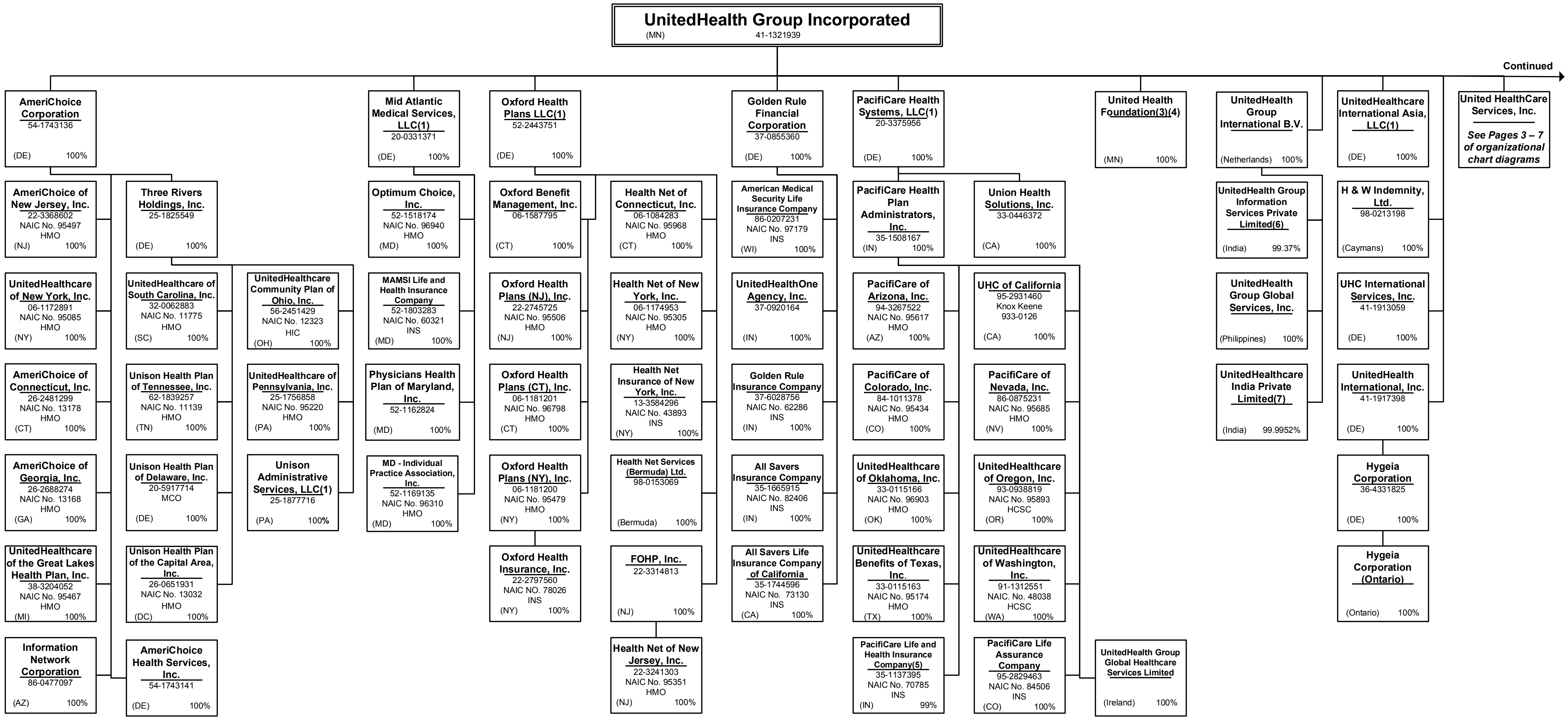
Explanation of basis of allocation by states, premiums by state, etc.

Premiums allocated by state based upon Geographic Market.

(a) Insert the number of L responses except for Canada and Other Alien.

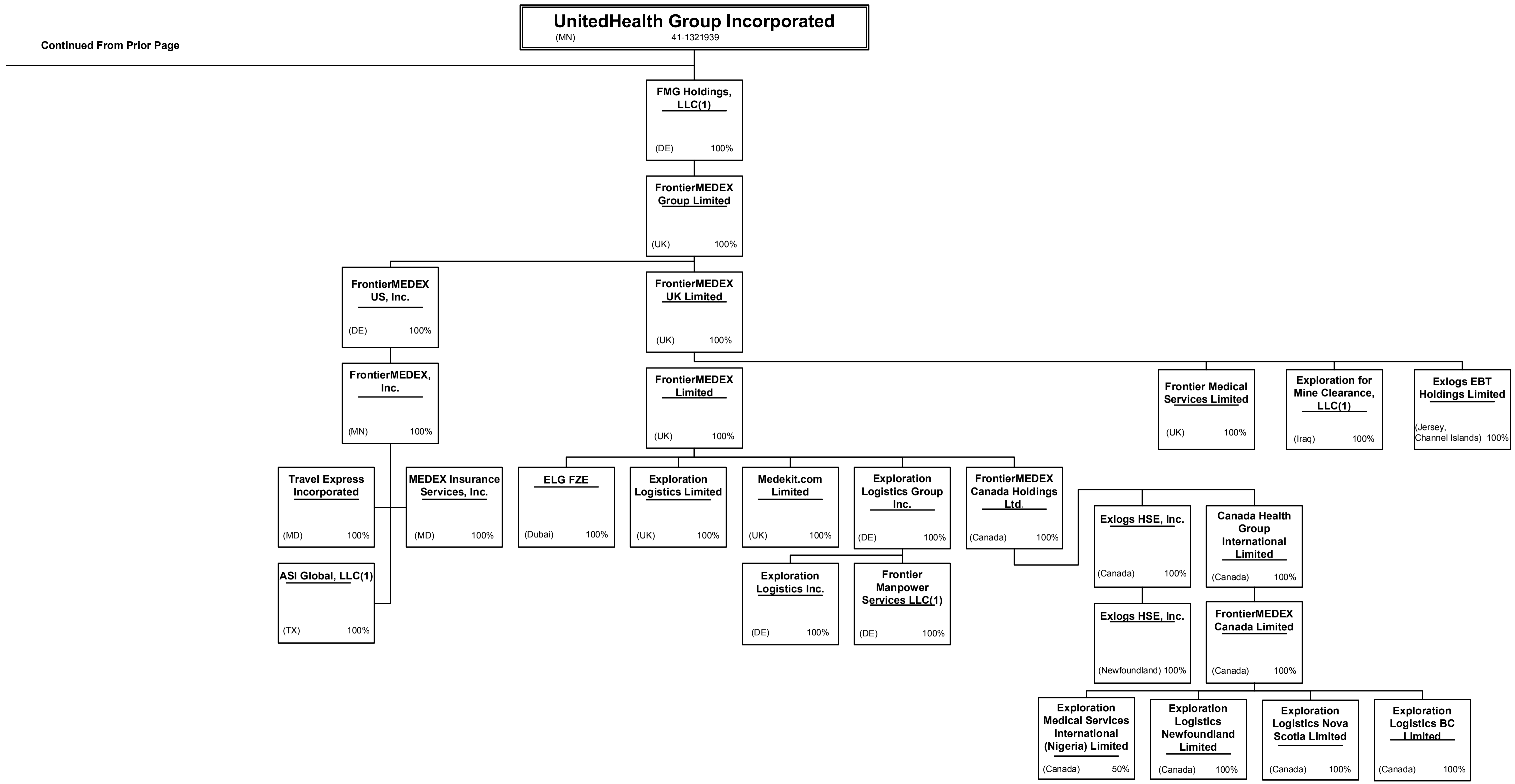
SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART



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PART 1 - ORGANIZATIONAL CHART

- **United HealthCare Services, Inc.** (MN) 41-1289245 100%
  - **Ovations, Inc.** 41-1921007 (DE) 100%
    - **Evercare of Arizona, Inc.** 86-0618309 (AZ) 100%
    - **Evercare of Texas, L.L.C.(1)** 91-2008361 NAIC No. 11141 HMO (TX) 100%
    - **Evercare Collaborative Solutions, Inc.** 86-0964571 (DE) 100%
  - **PHC Subsidiary Holdings, LLC(1)** 35-2288416 (TX) 100%
    - **Physicians Health Choice of Texas, LLC(1)** 04-3677255 NAIC No. 11494 HMO (TX) 100%
    - **Physicians Health Choice of New Mexico, Inc.** 32-0191973 NAIC No. 12977 HMO (NM) 100%
    - **Physicians Health Choice of Arkansas, Inc.** 45-0571407 NAIC No. 13160 HMO (AR) 100%
    - **PHC Holdings of Florida, Inc.** 80-0506053 (TX) 100%
      - **Citrus Health Care, Inc.** 13-4247706 NAIC No. 11836 HMO (FL) 100%
  - **Specialty Benefits, LLC(1)** 41-1921983 (DE) 100%
    - **DCG Resource Options, LLC(1)** 01-0518346 (ME) 100%
    - **Spectera, Inc.** 52-1260282 (MD) 100%
      - **Spectera of New York, IPA, Inc.** 71-0886811 (NY) 100%
  - **Dental Benefit Providers, Inc.** 41-2014834 (DE) 100%
    - **Dental Benefit Providers of California, Inc.** 52-1452809 Knox Keene 933-0255 (CA) 100%
    - **Dental Benefit Providers of Illinois, Inc.** 36-4008355 NAIC No. 52053 HMO (IL) 100%
    - **DBP Services of New York IPA, Inc.** 52-1811176 (NY) 100%
    - **Nevada Pacific Dental** 88-0228572 NAIC No. 95758 HMO (NV) 100%
    - **National Pacific Dental, Inc.** 76-0196559 NAIC No. 95251 HMO (TX) 100%
  - **UnitedHealth Military & Veterans Services, LLC(1)** (DE) 100%
  - **UnitedHealth Advisors, LLC(1)** 01-0538317 (ME) 100%
  - **Passport Coast-to-Coast, LLC(1)** (DE) 100%
  - **UnitedHealth Capital, LLC(1)** (DE) 100%
  - **ppoONE, Inc.** 75-2741619 (DE) 100%
  - **Ravens Acquisition Corp** (MD) 100%
  - **UMR Care Management, LLLP(2)(11)** 75-2788811 (DE) 99%
  - **BP Inc.** 41-2011515 (DE) 100%
  - **UMR, Inc.** 39-1995276 (DE) 100%
    - **Commonwealth Administrators, LLC(1)** 61-1351358 (KY) 100%
  - **UHIC Holdings, Inc.** 41-1921008 (DE) 100%
    - **UnitedHealthcare Insurance Company** 36-2739571 NAIC No. 79413 INS (CT) 100%
      - **UnitedHealthcare Insurance Company of Illinois** 36-3800349 NAIC No. 60318 INS (IL) 100%
      - **UnitedHealthcare Insurance Company of New York** 11-3283886 NAIC No. 60093 INS (NY) 100%
      - **UnitedHealthcare Insurance Company of Ohio** 31-1169935 NAIC No. 73518 INS (OH) 100%
      - **OneNet PPO, LLC(1)** (MD) 100%
        - **MAMSI Insurance Resources, LLC(1)** (MD) 100%
      - **UnitedHealthcare Service LLC(1)** 47-0854646 (DE) 100%
      - **Duncan Printing Services, LLC(1)** (SC) 100%
      - **Unimerica Life Insurance Company of New York** 01-0637149 NAIC No. 11596 INS (NY) 100%
      - **Evercare of New Mexico, Inc.** 26-2697886 NAIC No. 13214 HMO (NM) 100%
  - **UnitedHealthcare of New England, Inc.** 05-0413469 NAIC No. 95149 HMO (RI) 100%
  - **UnitedHealthcare of Ohio, Inc.** 31-1142815 NAIC No. 95186 HIC (OH) 100%
  - **UnitedHealthcare of Kentucky, Ltd.(2)(8)** 62-1240316 NAIC No. 96644 HMO (KY) 94.18%
  - **UnitedHealthcare, Inc.** *See Next Page*

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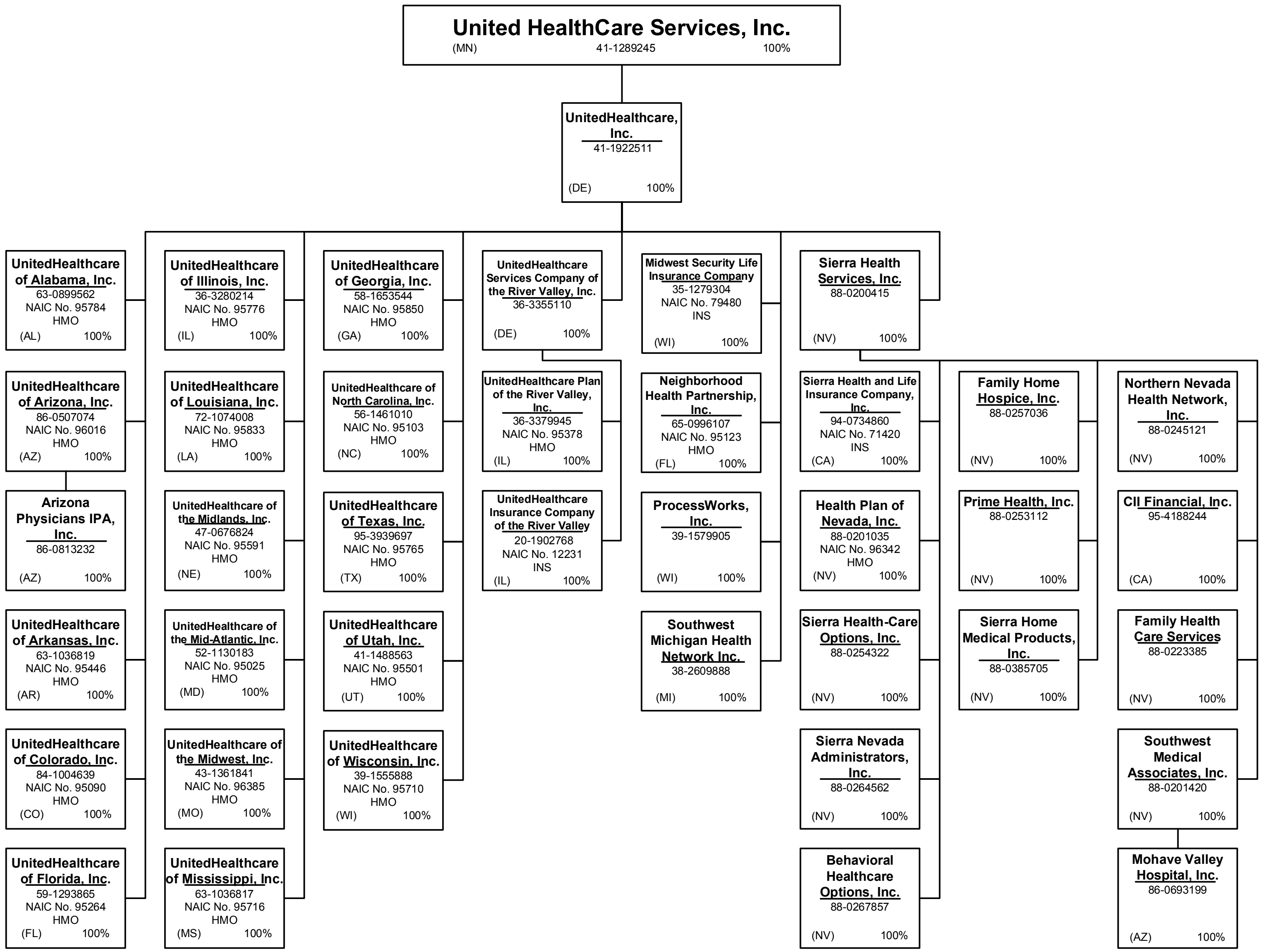

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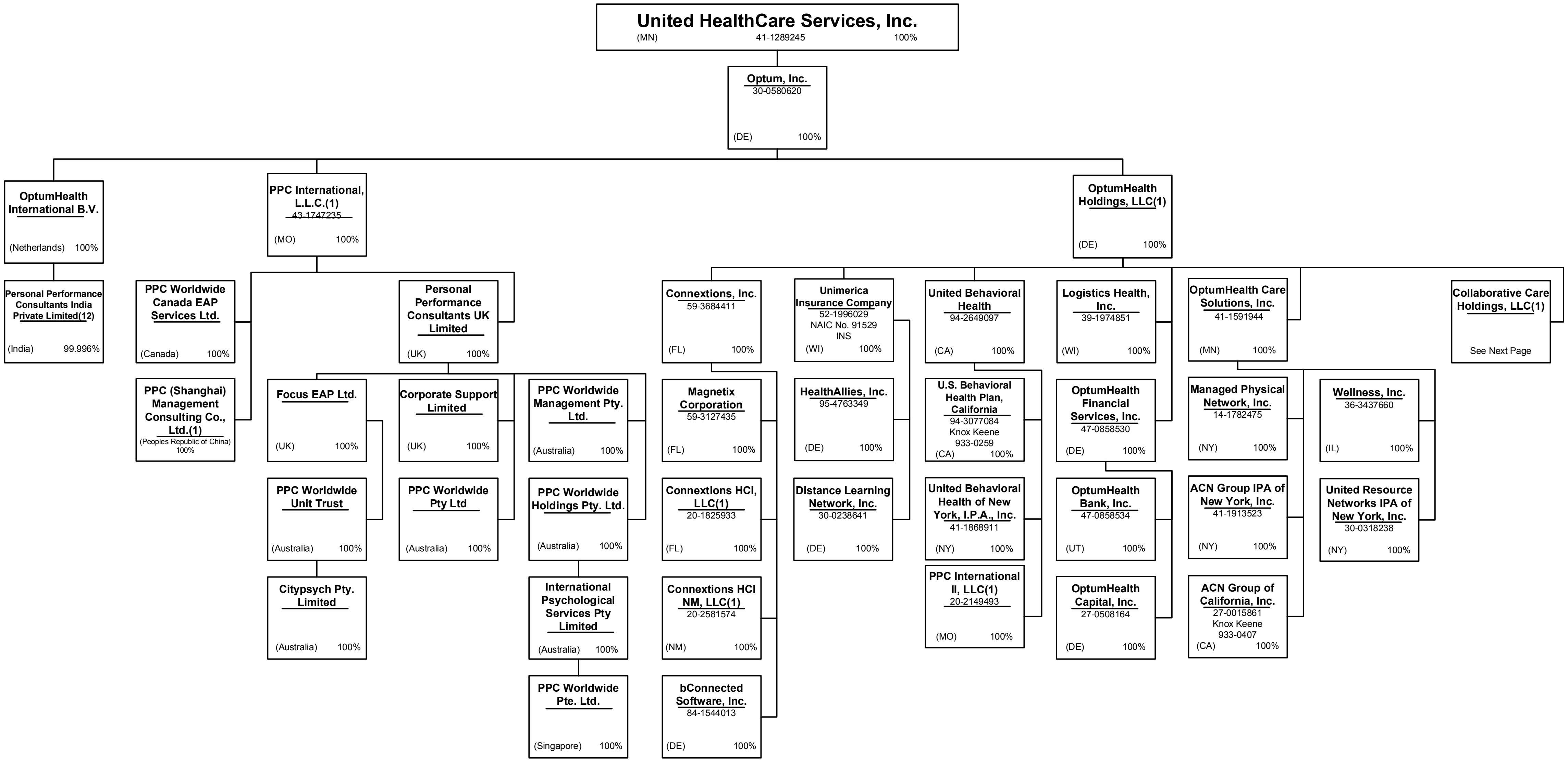

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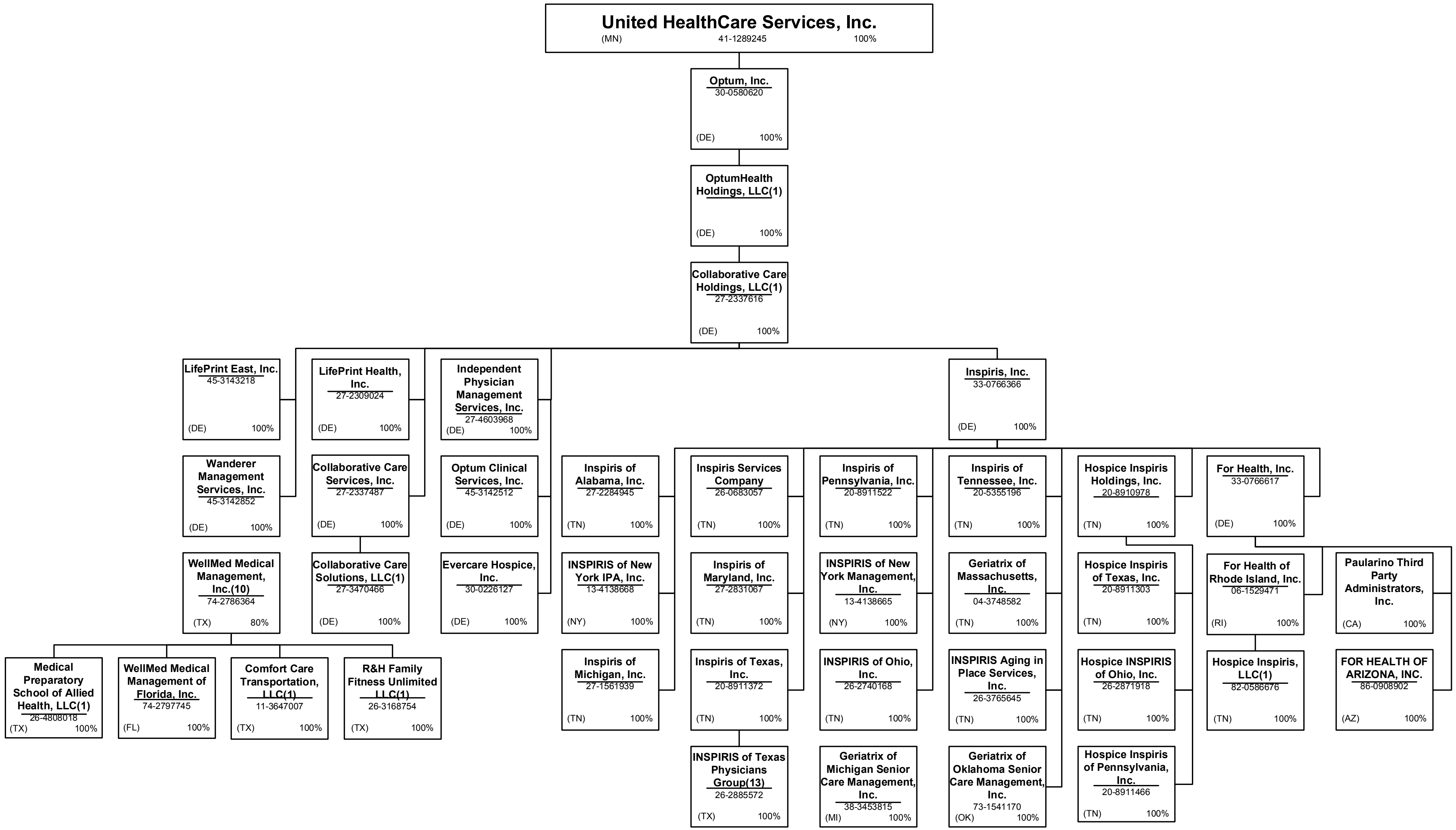

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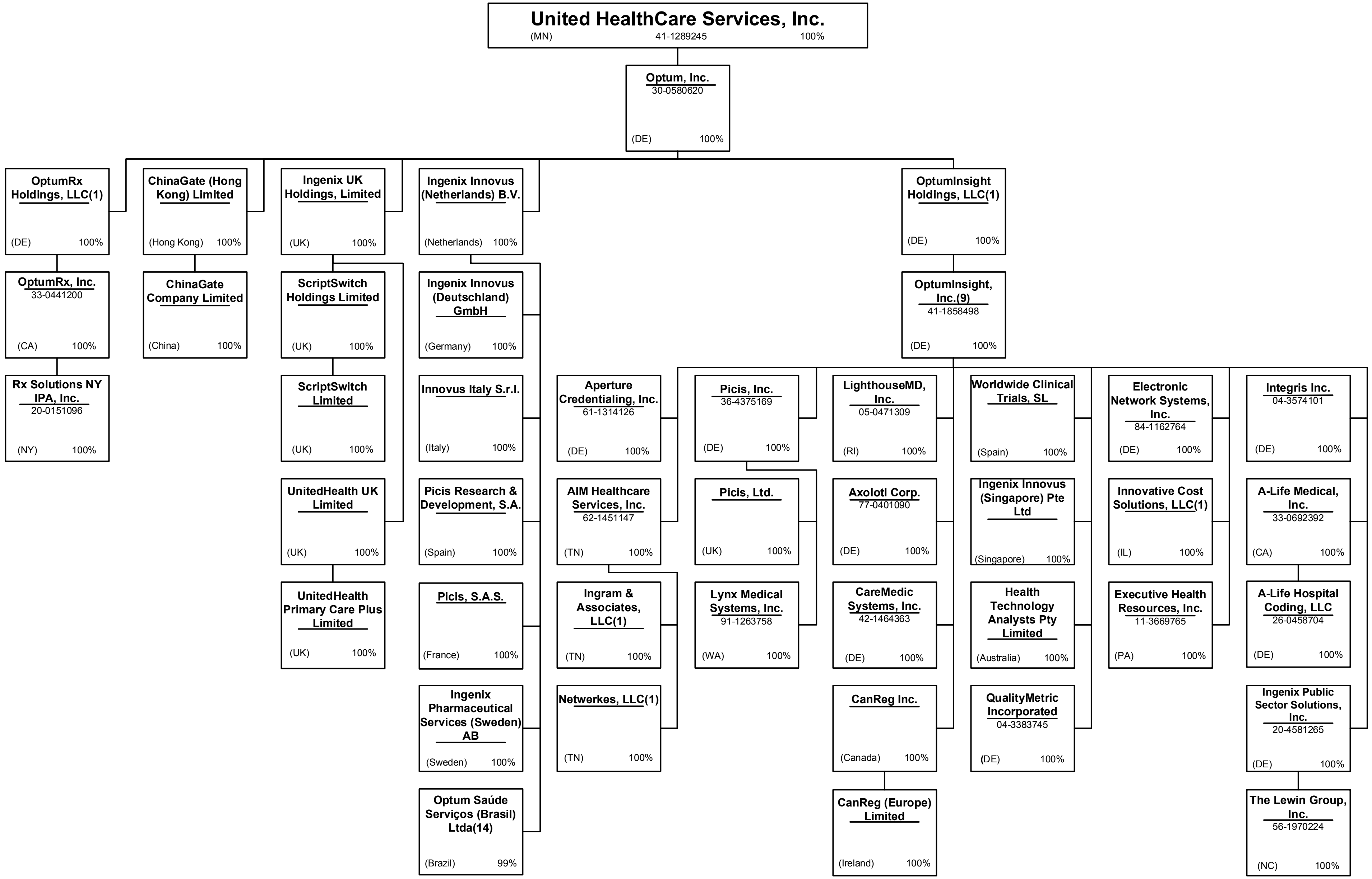

SCHEDULE Y - INFORMATION CONCERNING ACTIVITIES OF INSURER MEMBERS OF A HOLDING COMPANY GROUP

PART 1 - ORGANIZATIONAL CHART

Notes

All legal entities on the Organization Chart are Corporations unless otherwise indicated.

(1) Entity is a Limited Liability Company

(2) Entity is a Partnership

(3) Entity is a Non-Profit Corporation

(4) Control of the Foundation is based on sole membership, not the ownership of voting securities

(5) PacifiCare Life and Health Insurance Company is 99% owned by PacifiCare Health Plan Administrators, Inc. and 1% owned by PacifiCare Health Systems, LLC

(6) UnitedHealth Group Information Services Private Limited is 99.37% owned by UnitedHealth Group International B.V.. The remaining 0.63% is owned by UnitedHealth International, Inc.

(7) United Healthcare India Private Limited is 99.9952% owned by UnitedHealth Group International B.V. and 0.0048% owned by UnitedHealth International, Inc.

(8) General partnership interests are held by United HealthCare Services, Inc. (89.77%) and by UnitedHealthcare, Inc. (10.23%). United HealthCare Services, Inc. also holds 100% of the limited partnership interests. When combining general and limited partner interests, United HealthCare Services, Inc. owns 94.18% and UnitedHealthcare, Inc. owns 5.83%.

(9) Established a branch, Ingenix, Inc. – Abu Dhabi, located in Abut Dhabi, UAE.

(10) WellMed Medical Management, Inc. is 80% owned by Collaborative Care Holdings, LLC and 20% owned by WMG Healthcare Partners, L.P.

(11) Limited partnership interest is held by United HealthCare Services, Inc. (99%). General partnership interest is held by UMR, Inc. (1%)

(12) Personal Performance Consultants India Private Limited is 99.996% owned by OptumHealth International B.V. and 0.004 % owned by United Behavioral Health.

(13) INSPIRIS of Texas Physicians Group is a Texas non-profit (taxable) whose sole member is Inspiris of Texas, Inc.

(14) Optum Saúde Serviços (Brasil) Ltda. Is 99% owned by Ingenix Innovus (Netherlands) B.V. The remaining 1% is owned by OptumInsight, Inc.

OVERFLOW PAGE FOR WRITE-INS

Additional Write-ins for Underwriting and Investment Exhibit Part 3 Line 25

	Claim Adjustment Expenses		3	4	5
	1 Cost Containment Expenses	2 Other Claim Adjustment Expenses	General Administrative Expenses	Investment Expenses	Total
2504. Sundry General Expenses	11,210	4,436	32,948		48,595
2597. Summary of remaining write-ins for Line 25 from overflow page	11,210	4,436	32,948	0	48,595

ALPHABETICAL INDEX

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ANNUAL STATEMENT BLANK (Continued)